

Surplus Line Association of Illinois

PROCEDURES
MANUAL

FILING CHECKLIST

(The Basics — At a Glance)

- Original Policy & Complete Copy**
- “Notice to Policyholder”** on Declarations Page
- Proper **Service of Suit** Clause or Endorsement
- Taxes & Fees** shown on Declarations Page
- Illinois Risk**
- Insurer** is Surplus Line
- Personal Lines Risk** must go to residual market if residual market (Auto Plan, FAIR Plan) will write it

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INTRODUCTION

On February 27, 1985, the current surplus line law (Section 445 of the Illinois Insurance Code) became effective. At that time, the new law provided a number of significant changes in surplus line regulation. These changes included licensing revisions, changes to the service of suit provisions, new criteria for the selection of unauthorized insurers, and many others.

The new law also brought about the creation of the Surplus Line Association of Illinois. As a member, you are required to submit all surplus line contracts covering Illinois risks to the Association for countersignature. This manual is designed to assist you in filing documents with the Surplus Line Association of Illinois.

Each licensed surplus line producer is a member of the Surplus Line Association of Illinois. Membership may be maintained as an individual or as a firm (see Membership and Plan of Operation).

Your membership in the Surplus Line Association does not in any way relieve you of your responsibility to comply with surplus line laws and regulations or with the Association policies and procedures.

MEMBERSHIP

Each surplus line licensee is a member of the Surplus Line Association of Illinois.

a) Types of Membership

Membership in the Association may be maintained as:

1. Individual Member

A surplus line licensee may join the Association as an *Individual Member*.

2. Firm Member

One or more surplus line licensees who are employed by or associated with the same firm may join the Association as part of a *Firm Member*. Each member of the firm membership must complete the Firm Designation Form (see sample form in Appendix). This form indicates that you and other licensees in the firm wish to consolidate your premium writings and have the firm exercise your vote at Association meetings and exercise all other powers as a member of the Association. One of the licensees is designated as the *tax licensee*, and all premiums will be consolidated on their tax statements.

b) Term of Membership

Membership in the Association begins on the effective date of your surplus line license and continues as long as your license remains valid.

c) Other Membership Requirements

1. Current Address and Company Affiliation

It is important that whenever there is a change in your address or company affiliation that the Association be informed immediately so that the Association may properly direct your tax forms and other pertinent information.

2. License and Membership Termination

If you determine that you are not going to renew your surplus line license or if you are surrendering your surplus line license voluntarily, you must write to the Association (and the Division of Insurance) indicating your intentions.

SURPLUS LINE LAW REQUIREMENTS

The Illinois surplus line law permits a licensed surplus line producer to procure insurance from an unauthorized or domestic surplus line insurer after the insurance producer representing the insured or the surplus line producer is unable, after diligent effort, to procure the insurance from authorized insurers. Even then, the surplus line producer may only procure the insurance from an unauthorized or domestic surplus line insurer that:

- a) based upon information available to the surplus line licensee, has a policyholders surplus of not less than \$15 million; and
- b) has standards of solvency and management that are adequate for the protection of policyholders.

In the event the unauthorized insurer does not meet one or both of these standards, a surplus line producer may procure the insurance from that insurer if a prior written warning (see Regulation 2801, Illustration A) is given to the insured.

Regulation 2801 provides that the diligent effort required by the Illinois surplus line law shall be deemed to have been exercised if the surplus line producer or the insurance producer has submitted the risk to three or more authorized insurers (other than domestic surplus line insurers), that are engaged in writing in Illinois the type of coverage sought. If there are no insurers engaged in writing such coverage, the risk shall be submitted to insurers that, in the surplus line producer's professional judgment, are the most likely to accept the risk.

Producers may not procure a *primary* surplus line policy for: (1) any risk where there is a law that requires that the insurance be issued by an "authorized" insurer; (2) workers' compensation insurance; or (3) any personal lines risk that is eligible for residual market (like the Auto Plan or FAIR Plan) coverage at the limits requested by the insured. Producers may procure surplus line policies for the foregoing on an excess or umbrella basis.

The Illinois surplus line law does not apply to insurance of property and operations of railroads or aircraft engaged in interstate or foreign commerce, insurance of vessels, crafts or hulls, cargoes, marine builders risks, marine protection and indemnity, or other risks including strikes and war risks insured under ocean or wet marine forms of policies.

ASSOCIATION FILING PROCEDURES

All surplus line insurance contracts covering Illinois risks must be submitted to the Association for recording and stamping prior to delivery to the insured.

a) **Required Information** — The insurance contracts submitted to the Association shall set forth the following information:

- *1. Name of Insured
 - 2. Address of Insured
 - *3. Name of Unauthorized Insurer or Domestic Surplus Line Insurer
 - *4. Policy Number
 - 5. Type of Coverage
 - *6. Effective Date
 - 7. Term
 - 8. Amount of Coverage
 - *9. Gross Premium Charged or (Returned)
 - *10. Surplus Line Tax Charged or (Returned)
 - *11. Fire Marshal Tax Charged or (Returned)
 - *12. Stamping Fee Charged or (Returned)
- } Must be shown
on declarations page

* These are the only necessary items for the filing of endorsements.

Endorsements and other documents that are part of the insurance contract, even if they do not affect the premium charged, must be submitted to the Association for processing and stamping.

b) **Notice to Policyholder**

1. **Surplus Line Insurer** — For policies issued by a Surplus Line Insurer pursuant to Section 445, the following legend must be located on the first page in no less than 12 point bold face type:

NOTICE TO POLICYHOLDER:

This contract is issued pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.

- 2. Illinois Domestic Surplus Line Insurer** — For policies issued by an Illinois Domestic Surplus Line Insurer pursuant to Section 445a, the following legend must be located on the first page in no less than 12 point bold face type:

NOTICE TO POLICYHOLDER:

This contract is issued by a domestic surplus line insurer, as defined in Section 445a of the Illinois Insurance Code, pursuant to Section 445 and as such is not covered by the Illinois Insurance Guaranty Fund.

If the proper Notice to Policyholder is not on the document, the document will be returned to the producer without countersignature.

c) Service of Suit (Service of Process)

The Illinois surplus line law requires that all insurance contracts from unauthorized insurers contain a provision designating the Illinois Director of Insurance and his successors as attorney of the insurer for service of process in any action arising out of the insurance contract.

[For policies effective prior to January 1, 2002, the provision must also designate the surplus line producer or some other resident of the State of Illinois as an agent of the company, to whom a copy of the service of suit should be forwarded by the Director for delivery to the unauthorized company. The name and full Illinois address must be shown. The law changed, effective 1/1/02, eliminating this requirement.]

The Illinois Division of Insurance has indicated that the Service of Suit required by Section 445 does not apply to placements with Illinois Domestic Surplus Line Insurers.

Any service of suit received by the Association will be forwarded to the surplus line producer, designated Illinois resident, or the insurer (as appropriate) for handling. If the service of suit provision is inadequate or incomplete, the documents will be returned to the producer without countersignature.

d) Number of Copies to Submit

Each member must submit the original and one complete copy of the surplus line insurance contract, endorsement or other insuring document for recording and stamping. The original will be returned to the producer and the copy will be retained by the Association.

Additional copies may be submitted for stamping at your option.

e) Batching

All surplus line documents filed with the Association are submitted in batch form with no more than twenty documents per batch. Each batch must be submitted using a Verification Slip which can be downloaded from our website (www.slai.org). After completing the Verification Slip, you should keep one copy for your files (so you have a record of documents sent to the Association) and **send two copies to the Association** with your documents. The Association will keep one copy and return the other copy with your stamped documents.

On the top of the Verification Slip, fill in the date you are preparing the batch, your SLA member number (which is **NOT** the same as your license number) and the surplus line producer name. Show the insured name, policy/endorsement number, and/or other identifying data in the left column. In the right column, show the corresponding premium (rounded to the nearest whole dollar) for each document included in the batch. Return premiums should be indicated with brackets or parentheses, as opposed to the standard negative sign. For example, a return premium of \$100 would be shown as (100) or <100>. **PREMIUM ONLY** should be shown in this column. Do **NOT** include broker fees, taxes or other fees. Calculate the total net premium for the entire batch at the bottom of the verification slip. Any errors on the verification slip will be noted on the copy returned to the producer with the stamped documents.

f) Return Form

Should the Association find that the producer's documents lack vital information, the documents will be returned without countersignature along with the Return Form (see sample form in Appendix) indicating the deficiency.

g) Multi-State Risks

To determine if a contract that has multi-state exposure should be submitted to the Association, be advised that the Illinois Division of Insurance has indicated that:

Property Policies—

The Illinois Division of Insurance has approved allocation of taxes, when there is adequate determination of values between the various locations.

Liability Policies—

The Illinois Division of Insurance has indicated that, if there is exposure in another state, taxes may be allocated accordingly. Since liability exposure and premium allocation are not easily determined, unless another state's laws require allocation, it is acceptable to the Illinois Division of Insurance to not allocate.

When submitting a multi-state policy to the Association using allocation, be sure to note the ***Illinois portion*** of the premium on the declarations page along with the

appropriate taxes and fees. **Only the Illinois portion** of the premium should be shown on the Verification Slip.

ROUNDING RULE

The premium, Surplus Line Tax, Fire Marshal Tax and Association Stamping Fee as calculated for each document shall be rounded to the nearest whole dollar. Each calculation involving less than 50 cents shall be rounded down to the next lowest whole dollar (less than 50 cents show zero) and each item involving 50 cents or more shall be rounded up to the next highest whole dollar.

RENEWAL CERTIFICATES

The Association has established the following procedure for processing Renewal Certificates:

- a) A copy of the declarations page must accompany the renewal certificate.
- b) The amount of current coverage must be shown.

UNDERWRITERS AT LLOYD'S POLICIES

The Illinois Insurance Code requires that all policies written by Underwriters at Lloyd's, London be processed through the Lloyd's Illinois representative, *Lloyd's Illinois, Inc.*, and countersigned in **red** by (for Lloyd's admitted business) or in **blue** (for surplus line business).

Lloyd's policies must be sent to Lloyd's Illinois, Inc. *first* to obtain the proper Lloyd's countersignature *before* being submitted to the Surplus Line Association. The Association will only process Lloyd's documents that contain the blue Lloyd's Surplus Line stamp.

For questions, call Lloyd's Illinois, Inc. at 312-407-6200, or visit them on the web at:

http://www.lloyds.com/Lloyds_Worldwide/Country_guides/US_-_Illinois/US_Illinois_-_Lloyds_representation/

STAMPING FEE

The Association stamping fee applies to each Illinois surplus line premium processed through the Association at the rate shown on the table below. When calculating the stamping fee, you must round to the nearest whole dollar. Fees and taxes for return premiums endorsements are calculated in exactly the same manner. The stamping fee rate in effect at the policy effective date applies to all subsequent endorsements (except an endorsement extending the policy period).

You are permitted by law to pass the stamping fee as well as the surplus line tax and fire marshal tax on to the insured. If you pass these fees on to your insureds, they must be shown as separate items on the declarations page of the insurance contract.

In the event your monthly Association stamping fee is a negative figure, it will be credited to your account or will be returned by the Association upon request.

The Association bills members on a monthly basis for business processed during the preceding month. The stamping fees are due and payable on or before the last day of the following month. For example, documents processed in July are billed in August, usually between the 10th and the 15th, and the stamping fees are due and payable by September 30th. The Association is *required by law* to inform the Illinois Division of Insurance of any member who is 60 days delinquent in the payment of stamping fees.

TABLE OF STAMPING FEES

<u>Policy Effective Date</u>	<u>Stamping Fee Rate for All Subsequent Transactions</u>
July 1, 2006 & Thereafter	0.1% or (.001)
January 1, 1995 – June 30, 2006	0.3% or (.003)
January 1, 1988 – December 31, 1994	0.1% or (.001)
August 1, 1986 – December 31, 1987	0.2% or (.002)
July 1, 1985 – July 31, 1986	0.5% or (.005)
Prior to July 1, 1985	No Stamping Fee Assessed

MONTHLY REPORTS

The Association will provide each member a report of all business filed during a given month by the 15th of the following month. The report will reflect the following information for each surplus line contract:

- Name of Insured
- Address of Insured
- Name of Unauthorized Insurer or Domestic Surplus Line Insurer
- Policy Number
- Type of Coverage
- Effective Date
- Term
- Amount of Coverage
- Gross Premium Charged or (Returned)
- Surplus Line Tax Charged or (Returned)
- Fire Marshal Tax Charged or (Returned)
- Stamping Fee Charged or (Returned)

A copy of the report will be supplied to the Illinois Division of Insurance. **IT IS IMPORTANT THAT YOU REVIEW YOUR MONTHLY REPORT SINCE IT IS A REFLECTION OF YOUR TAX LIABILITY.**

TAXES

The State of Illinois imposes two taxes on surplus line business: a Surplus Line Tax and a Fire Marshal Tax. These taxes are computed in the following manner:


a) **Surplus Line Tax**

The Surplus Line Tax imposed by the State of Illinois is three and one-half percent (3.5%) of the net written premium — rounded to the nearest whole dollar. Net written premium is defined as premiums charged less returned. This tax is collected semiannually; August 1st for documents processed through the Association January through June, and February 1st for documents processed through the Association July through December. **TAX STATEMENTS MUST BE FILED EVEN WHEN THERE IS NO TAX DUE. FAILURE TO DO SO WILL SUBJECT THE LICENSEE TO A PENALTY.**

b) Fire Marshal Tax

The Fire Marshal Tax imposed by the State of Illinois is one percent (1%) of the net fire premium — rounded to the nearest whole dollar. The tax applies to fire, sprinkler leakage, riot, civil commotion, explosion and the fire portion of inland marine, earthquake, automobile physical damage, homeowners, farmowners and other multiple line policies covering risks within the state. This tax is collected on a calendar year basis with a due date of March 31st. **THIS TAX STATEMENT MUST BE FILED EVEN IF NO TAX IS DUE.**

The following table indicates the percentage of the premium subject to the tax:

<u>Line of Business</u>	<u>Percentage Subject to Tax</u>	
Fire	100% ¹	 <p>Tax is calculated at 1% of <u> </u>% of premium</p>
Allied Lines.....	25%	
Crop Hail	1%	
Farmowners-Multiple Peril.....	40% ²	
Homeowners-Multiple Peril	40% ²	
Commercial-Multiple Peril (SMP & Multi-Line) ...	40% ²	
Inland Marine	15% ³	
Earthquake.....	25%	
Auto Physical Damage.....	5%	
All Risk-Real Property	50%	

¹ Fire premiums that include allied lines are assessed the full 100%. If the premiums are separate and distinct (fire and allied) the allied line portion may be assessed at 25%.

² For Multiple Peril policies when the section one premium is separate and distinct, that portion may be assessed in the same manner as a fire policy. If the premium for multiple line policies is a combined premium, the applicable percentages indicated above for that line of business will apply.

³ Inland Marine, including personal property floaters and other floater policies.

c) Tax Forms

The Association will generate the necessary tax forms for you at the appropriate times and send them to you in sufficient time for you to file them and your tax payments with the State of Illinois. Failure to receive the forms does not excuse the licensee from responsibility for filing and paying taxes in a timely manner. If you do not receive your tax forms, be sure to contact the Association.

The Surplus Line Privilege Tax is paid semiannually. Tax on documents processed by the Association from January to June of any year is due and payable August 1st of that year. Tax on documents processed from July to December of any year is due and payable by February 1st of the following year (see sample form in Appendix).

The Fire Marshal Tax is paid annually for the business processed during the previous calendar year. It is due and payable no later than March 31st of the following year. Your tax form will indicate the total tax liability for the premiums processed (see sample form in Appendix).

Please note: All taxes are paid to the Illinois State Treasurer, Director of Insurance in Springfield, Illinois.

Licensees who cancel their license or do not renew their license must file a tax statement up to the cancellation date or non-renewal date. Failure to do so may cause a hold on their producer license. The Association will generate and send these statements upon notice of cancellation or non-renewal.

If you hold a surplus line license you MUST file these tax forms.

INELIGIBLE UNAUTHORIZED INSURERS

The Illinois surplus line law provides that the Director of Insurance may declare that the future assumption of risks might be hazardous to the policyholders of an unauthorized insurer. The Director may order the Surplus Line Association of Illinois not to countersign insurance contracts evidencing insurance in such insurer and order surplus line producers to cease procuring insurance from such insurer.

DIRECTORY

Association Office

Surplus Line Association of Illinois
100 S. Wacker Drive, Suite 350
Chicago, Illinois 60606-4020
Phone: (312) 263-1993
Fax: (312) 263-1996

WEBSITE: www.slai.org
EMAIL: info@slai.org

David L. Ocasek
EXECUTIVE DIRECTOR

Richard J. Dunlap
ASSISTANT EXECUTIVE DIRECTOR

100 S. Wacker Drive, Suite 350

SURPLUS LINE ASSOCIATION OF ILLINOIS
Chicago, IL 60606-4020

(312) 263-1993

IF THIS BOX IS CHECKED, SEE RETURN FORM ON OTHER SIDE

For Association Use

VERIFICATION SLIP

PRODUCER _____

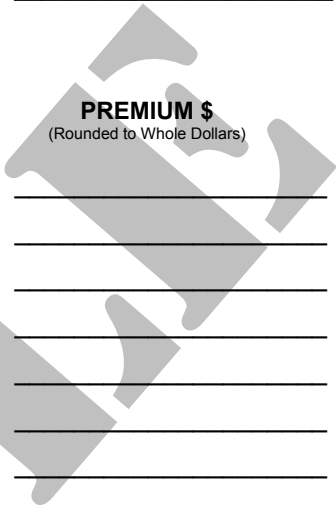
Date _____

SLA MEMBER NUMBER _____

POLICY NUMBER OR ENDORSEMENT NUMBER

PREMIUM \$
(Rounded to Whole Dollars)

- 01. _____
- 02. _____
- 03. _____
- 04. _____
- 05. _____
- 06. _____
- 07. _____
- 08. _____
- 09. _____
- 10. _____
- 11. _____
- 12. _____
- 13. _____
- 14. _____
- 15. _____
- 16. _____
- 17. _____
- 18. _____
- 19. _____
- 20. _____



TOTAL NET PREMIUM \$ _____

MAIL

MESSENGER

Any Special Instructions (if batch is to be mailed to an address other than the regular address on file, put the address here):

Surplus Line Association of Illinois Return Form

We were unable to process the following items for the reasons listed below:

ITEM NUMBER(S) REASON FOR RETURN

- _____ **1. Service of Suit clause:**
 - A. not provided.
 - B. insufficient.
Procedures Manual Section 4(c):
The Illinois surplus line law requires that all surplus line insurance contracts contain a provision designating the Illinois Director of Insurance and his successors as attorney of the company for service of suit in any action arising out of the insurance contract.
- _____ **2. Documents submitted are incomplete:**
 - A. Original not filed.
 - B. Complete copy not enclosed.
Procedures Manual Section 4(d):
Each member must submit the **original** and **one complete copy** of the surplus line insurance contract, endorsement or other insuring document for recording and stamping. The original will be returned to the producer and the copy will be retained by the Association.
- _____ **3. Required policy information not shown:**
 - A. Insurance company not identified.
 - B. Taxes and fees not shown.
 - C. Other _____
- _____ **4. Admitted insurance company used.**
- _____ **5. Required "Notice to Policyholder" not provided:**
The Illinois Division of Insurance requires that the following legend be located on the first page in no less than 12 point boldface type:
**NOTICE TO POLICYHOLDER:
This contract is issued pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.**
A different "Notice to Policyholder" is required for policies procured from an Illinois Domestic Surplus Line Insurer pursuant to Section 445a of the Illinois Insurance Code. Check your Procedures Manual.
- _____ **6. Incomplete filing of Renewal Certificate:**
The Association has established the following procedure for processing Renewal Certificates:
A copy of the declarations page must accompany the renewal certificate as well as a notation of the current limits of liability.
- _____ **7. Other** _____

For more information, or to download forms, the Procedures Manual, laws, regulations and other materials, please visit our website at www.slai.org

- You may resubmit this batch using this same Verification Slip.
- Please resubmit the above items (where appropriate) with a new Verification Slip.



FIRM DESIGNATION FORM

This form is to be completed by **each** Surplus Line Producer who wishes to consolidate premium writings with other Surplus Line Producers under one Firm.

TO: SURPLUS LINE ASSOCIATION OF ILLINOIS

The undersigned hereby designates _____
(name of firm)

as the firm under which I wish to consolidate my Illinois Surplus Line insurance premiums for reporting, voting and all other purposes of the Surplus Line Association of Illinois and to which I hereby delegate all powers I am entitled to exercise as a member of the Association, including determination of a quorum and the right to vote. This designation and delegation of powers shall remain in full force and effect until I advise the Surplus Line Association of Illinois in writing of a change in or withdrawal of such designation.

100 S. Wacker Drive
Suite 350
Chicago, IL
60606

312.263.1993
312.263.1996 fax

www.slai.org
info@slai.org

Print or Type Name of Licensee

Social Security No.

Date

Signature

Acceptance by Firm

On behalf of the above named firm, I hereby accept this designation and delegation of powers and agree to be responsible to the Association for the processing of surplus line documents and payment of the stamping fees of the above individual.

Name of Firm

By:

Title:

Complete and return this form to:

Surplus Line Association of Illinois
100 S. Wacker Drive, Suite 350
Chicago, IL 60606-4020

David L. Ocasek
Executive Director

Richard J. Dunlap
Asst. Executive Director



Surplus Line Producer Semi-Annual Tax Statement

Illinois Department of Financial and
Professional Regulation, Division of Insurance
320 W. Washington Street
Springfield, IL 62767-0001

TAX DUE AUGUST 1, 2004 FOR PREMIUMS WRITTEN JANUARY 1, 2004 THROUGH JULY 31, 2004

SURPLUS LINE PRODUCER NAME: JOHN Q. PUBLIC
1234 MAIN ST
ADDRESS: ANYTOWN, IL 60600

SOCIAL SECURITY NUMBER: 123-45-6789

9999A

	MONTH	(1) TAXABLE PREMIUMS WRITTEN & RETURNED	(2) MONTHLY TOTAL OF TAX LIABILITY
1.	January	10,000	350
2.	February	20,000	700
3.	March	30,000	1,050
4.	April	40,000	1,400
5.	May	50,000	1,750
6.	June	60,000	2,100
7.	TOTAL	210,000	7,350

- 8. Tax Due: Line 7, Column 2 (3.5% of each premium reported) _____
- 9. Penalty for failure to file tax statement (\$400/month or 10% of tax, whichever is greater) _____
- 10. Penalty for failure to pay tax (10% of tax due) _____
- 11. Interest on tax paid after due date (Current IRS rate: Minimum rate 12% per annum) _____
- 12. BALANCE DUE (Add lines 8 through 11) _____

IMPORTANT NOTICE. Disclosure of this information is REQUIRED under the Illinois Revised Statutes' insurance laws. Failure to provide this information could result in a fine. This form has been approved by the Forms Management Center.

I, _____, being duly sworn on oath depose that I am a Surplus Line Producer, a producer under the Provisions of Section 445 of the Illinois Insurance Code, and the above statement is a full, true and correct statement of premiums written and returned on policies or contracts placed under the provisions of my license during the above period.

Subscribed and sworn to before me this _____ day of _____, _____.

Notary Public

Producer's Signature

My commission expires _____

Date _____

**** COMPLETE AND RETURN BY 8/1/2004 EVEN IF NO TAX IS DUE. ****

Remittance should be made payable to the Illinois State Treasurer, Director of Insurance and mailed with the completed tax statement form to attention: ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF INSURANCE, 320 WEST WASHINGTON ST., SPRINGFIELD, ILLINOIS 62767-0001.

IL 446-0101



**2004 Calendar Year
Surplus Line Producer
Fire Marshal Tax Statement**

Illinois Department of Financial and
Professional Regulation, Division of Insurance
320 W. Washington Street
Springfield, IL 62767

PAYABLE MARCH 31, 2005 FOR DIRECT BUSINESS DURING THE CALENDAR YEAR 2004

SURPLUS LINE PRODUCER NAME: JOHN Q. PUBLIC
1234 MAIN ST
ADDRESS: ANYTOWN, IL 60600

SOCIAL SECURITY NUMBER: 123-45-6789

9999A

1. Total Fire Marshal Tax liability for the year 2003..... _____
2. Penalty for failure to file tax statement (\$400/month or 10% of tax, whichever is greater) _____
3. Penalty for failure to pay tax (10% of tax due)..... _____
4. Interest on tax paid after due date (Current IRS rate: Minimum rate 12% per annum).... _____
5. BALANCE DUE (Add lines 1 through 4)..... _____

IMPORTANT NOTICE: Disclosure of this information is REQUIRED under the Illinois Revised Statutes' insurance laws. Failure to provide this information could result in a fine. This form has been approved by the Forms Management Center.

The undersigned Surplus Line Producer _____ (Signature of Producer), being duly sworn upon oath say that the foregoing report and the statements contained therein and each and every one of them are true and correct.

Subscribed and sworn to before me this _____ day of _____, _____.

Notary Public

**** COMPLETE AND RETURN BY MARCH 31, 2005 EVEN IF NO TAX IS DUE. ****

Remittance should be made payable to the Illinois State Treasurer, Department of Insurance and mailed with the completed tax statement form to attention: ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF INSURANCE, 320 WEST WASHINGTON ST., SPRINGFIELD, ILLINOIS 62767-0001.

IL 446-0122