

JAMES M. THOMSON
COMMISSIONER OF INSURANCE
THOMAS S. NARDO
FIRST DEPUTY COMMISSIONER

COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

December 30, 1983

ADMINISTRATIVE
LETTER 1983-13

M E M O R A N D U M

TO: All Persons Licensed as Surplus Lines Brokers
in Virginia

RE: SURPLUS LINES BROKERS
Gross Premium Tax Report
Calendar Year - 1983

ON OR BEFORE February 1, 1984, every person who held license as a Surplus Lines Broker in the preceding calendar year must file a "Gross Premium Tax Report" on business transacted during the preceding calendar year.

ON OR BEFORE March 1, 1984, each such Surplus Lines Broker must pay the applicable premium taxes and/or assessment. Failure to pay on or before March 1st will subject you to the penalties prescribed by law.

PLEASE OBSERVE THE FOLLOWING INSTRUCTIONS IN COMPLETING THE ENCLOSED "GROSS PREMIUM TAX REPORT" FORMS:

1. FORMS MUST BE COMPLETED AND FILED WHETHER OR NOT YOU TRANSACTED BUSINESS IN THE PRECEDING CALENDAR YEAR. ASSESSMENT (MINIMUM \$300.00) APPLICABLE IN ALL CASES.
2. REPORT PREMIUMS ACCURATELY AS FOLLOWS:
 - a. INITIAL GROSS PREMIUMS taken from monthly reports on Form SLB-7a. (Must agree with premiums on original affidavits - Form SLB-5). If "NIL", so state.
 - b. ADDITIONAL PREMIUMS BY ENDORSEMENTS & AUDITS SLB-7b. If "NIL", so state.
 - c. RETURN PREMIUMS BY ENDORSEMENT, AUDITS, CANCELLATIONS SLB-7c. If "NIL", so state.

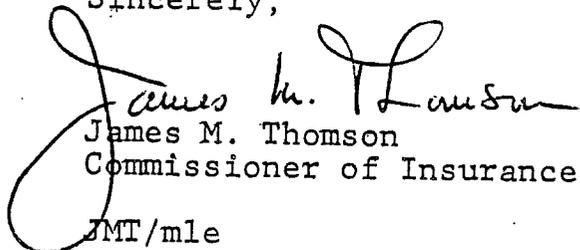
3. ENTER TOTALS FROM FORMS SLB-7a, 7b, 7c to FORM SLB-7, EXECUTE FORM SLB-7 BEFORE A NOTARY PUBLIC: AND RETURN ALL FORMS TO THIS BUREAU ON OR BEFORE FEBRUARY 1, 1984.
4. DO NOT TENDER REMITTANCE WITH FORMS - You will be billed for taxes and/or assessments AFTER audit of your report.

In addition, we are enclosing the applicable Application for License forms (SLB-1, SLB-2, SLB-2A, and SLB-2B) which must be returned to the Bureau on or before March 15, 1984 along with the proper license fee.

Due to computerization, we have changed the format of the Monthly Report (SLB-7a). These revised forms must be implemented effective January, 1984 Monthly Report.

Please direct any questions you might have to Patricia L. Graves.

Sincerely,


James M. Thomson
Commissioner of Insurance
JMT/mle

Enclosures:

- Form SLB-1 - Application
- Form SLB-2 - Surety Bond
- Form SLB-2A - Acknowledgement of Principal
- Form SLB-2B - Acknowledgement of Principal
- Form SLB-7 - Gross Premiums Tax Report
- Form SLB-7a - Monthly Report (MUST BE FILED BY THE 15TH OF EACH MONTH)
- Form SLB-7b - Additional Premiums Report
- Form SLB-7c - Return Premiums Report

VIRGINIA
FORM SLB-1
(REV. 1/82)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE
Richmond, Virginia
APPLICATION FOR LICENSE
AS SURPLUS LINES BROKER

TO: STATE CORPORATION COMMISSION, BUREAU OF INSURANCE, RICHMOND, VIRGINIA

The undersigned applicant who is currently licensed as a Property & Casualty Agent in the Commonwealth of Virginia hereby applies for license as Surplus Lines Broker under the provisions of Article 5, Chapter 7.1, Title 38.1 of the Code of Virginia, for the term expiring on the 15th day of March next succeeding the license issue date.

Remittance of (\$50.00) (\$25.00) is submitted herewith to cover the required license fee. (If license application filed before September 15, the license fee is \$50.00; if filed after September 15, the license fee is \$25.00).

The applicant submits the following statements and answers in support of this application:

1. Name of Applicant _____ IRS # _____
Tel No. _____
2. Business Address _____
(Street Number) _____

(Town or City) (State) (Postal Zone)
3. Residence Address (if applicant is an INDIVIDUAL)

(Street Number) (Town or City) (State) (Postal Zone)

4. Active Members (if applicant is a partnership or a corporation)
NOTE: Individuals to act for partnership or corporation in the transaction of insurance under authority of license applied for - limited to officers, directors, members, or employees of applicant, each of whom is individually licensed as a Property and Casualty Insurance Agent as defined in Section 38.1-327.1 of the Code of Virginia.

NAME	SS#	TITLE	RESIDENCE ADDRESS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. The submission of this application signifies the applicant's understanding and agreement to abide by the following conditions pertaining to insurance transacted under the authority of the license applied for:

- A. Applicant will not procure or aid in the procurement, directly or indirectly, of any contract of insurance on a Virginia risk from any insurer not licensed to transact insurance in Virginia unless the applicant and the proposed insured have been unable after diligent effort to procure the kind and amount of insurance desired from among insurers which are licensed to transact that kind and type of insurance in Virginia.
- B. Not more than fifteen days after any such insurance has been procured and at least fifteen days before any premium therefor has been remitted by the Surplus Lines Broker, an affidavit executed by the Surplus Lines Broker will be filed with the Bureau of Insurance of the State Corporation Commission setting forth the following:
- (1) Non-availability of the subject insurance from insurers licensed in Virginia;
 - (2) Details of the insurance including full name and address of the company from which procured; description of the subject of insurance; type or kind of insurance; amount of insurance; term of policy; and premiums, assessments, dues, and fees charged for the policy;
 - (3) Statement that such insurance was not procured for the purpose of securing any advantages as to premium rate nor as to terms of the insurance contract.
- C. Licensee will comply with Section 38.1-327.52B. by giving to the insured the notice form prescribed by the Commission. If the notice is physically attached to the policy by stamp, sticker, or other means, then no signature is required.
- D. Licensee will not issue or deliver any policy or other written evidence of insurance or represent the insurance will be or has been granted by an unlicensed insurer unless he has prior written authority from such insurer for the insurance, or has received information from such insurer in the regular course of business that such insurance has been actually issued.
- E. Each policy or other written evidence of insurance procured under this authority shall be delivered promptly to the insured and shall have endorsed thereon a statement that the same is registered and delivered as surplus lines coverage under the provisions of the pertinent laws and is issued by an insurer or insurers which are not licensed to transact insurance in this State. SUCH ENDORSEMENT SHALL BE COUNTERSIGNED BY THE SURPLUS LINES BROKER PROCURING SUCH POLICY, SHOWING ALSO HIS LICENSE NUMBER AND MAILING ADDRESS.
- F. Applicant will keep in his office a complete record of each contract of insurance procured under this authority, including:
- (1) Full name and address of the insurer or insurers and the insured;
 - (2) Description of the subject of insurance;
 - (3) The perils insured against;
 - (4) Amount of coverage, and inception and expiration dates;
 - (5) The premium rate and the gross premium (including assessments, dues, and fees) charged for the policy;
 - (6) The amount of additional and/or returned premium, if any;
 - (7) Such other information as the State Corporation Commission may require.

VIRGINIA
FORM SLB-1
(REV. 1/82)

- G. Applicant may accept surplus lines business from any duly licensed VIRGINIA PROPERTY AND CASUALTY AGENT and may compensate him therefor, and any such duly licensed VIRGINIA PROPERTY AND CASUALTY AGENT may place surplus lines business with a licensed Surplus Lines Broker as constituted and accept compensation therefor.
- H. Annually on or before FEBRUARY 1, the Surplus Lines Broker will file with the Bureau of Insurance of the State Corporation Commission a statement verified by oath or affidavit containing, with regard to each contract of insurance transacted during the previous calendar year, the information listed in F. above.
- I. Annually on or before MARCH 1, the Surplus Lines Broker must pay to the State Corporation Commission the assessment provided for in Sections 38.1-44 and 38.1-45 of the Code of Virginia (an amount not exceeding one-tenth (1/10) of one per cent of gross premiums, subject to a minimum of three hundred dollars), and the taxes provided for in Section 58-486 and 58-490 of the Code of Virginia, both assessment and taxes being based upon gross premiums on business transacted under this authority during the preceding calendar year. (NOTE: The Broker will be billed for the amounts due by the Bureau of Insurance).
- J. The authority under a Surplus Lines Broker's license applies to the kinds of insurance enumerated in Section 38.1-327.46 of the Code of Virginia.
- K. The applicant understands that any violation of the foregoing conditions or other applicable insurance laws of Virginia is punishable by a fine of up to \$1,000.00 per offense, as provided by Section 38.1-40 of the Code of Virginia; or by suspension or revocation of license, as provided by Section 38.1-327.43 of the Code of Virginia, or by both.

The applicant hereby declares that the foregoing answers are true and correct; and that the conditions set forth above are fully understood and will be fully complied with.

If applicant is a
corporation, affix
corporate seal here

(Signature of Applicant, if an individual)
(Print name of applicant, if a partnership
or corporation)

By _____
(Officer or Partner)

Title _____

NOTARIAL ACKNOWLEDGMENT

STATE OF VIRGINIA
COUNTY (CITY) OF _____

This day _____ appeared before me, a Notary Public in and
(Name of Deponent)
for the State and County (City) aforesaid, and, being duly sworn, deposed and stated that
the answers and declarations given in this application are true and correct; and he has
this day acknowledged the same before me. Subscribed and sworn to before me this _____
day of _____, 19____.

(Notary Public)

My commission expires _____

VIRGINIA
FORM SLB-2
(REV. 1/82)

BOND FOR SURPLUS LINES INSURANCE BROKER
(To comply with Section 38.1-327.50 of the Code of Virginia)

KNOW ALL MEN BY THESE PRESENTS, That _____ of _____ as Principal, and the _____ Company, a corporation organized and existing under the laws of the State of _____, and authorized to do business in the Commonwealth of Virginia, as Surety, are held and firmly bound unto the COMMONWEALTH OF VIRGINIA in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) for the payment of which, well and truly to be made, we, and each of us, bind ourselves, our heirs, successors and assigns, jointly and severally, firmly by these presents.

SIGNED, SEALED, AND DATED THIS _____ day of _____, 19_____.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the said Principal has applied to the State Corporation Commission of the Commonwealth of Virginia for a license to act as a Surplus Lines Broker pursuant to Article 5, Chapter 7.1, Title 38.1 of the Code of Virginia and, in accordance with Section 38.1-327.50 thereof, is required to give a corporate surety bond unto the COMMONWEALTH OF VIRGINIA in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000);

NOW THEREFORE, the condition of this obligation is such that if the said Principal shall conduct business under said license in accordance with the provisions of the laws and regulations of the Commonwealth of Virginia pertaining to Surplus Lines Brokers, and, further, shall promptly remit the taxes and assessments provided by such laws and regulations, then this obligation shall be null and void; otherwise, to remain in full force and effect;

PROVIDED, this bond shall cover the acts of the Principal during the period beginning on the date such license becomes effective and ending on the fifteenth day of March next succeeding; and in no event shall the Surety's aggregate liability hereunder for all losses exceed the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000).

PROVIDED FURTHER, the Surety may be released from liability for future breaches of the conditions of this bond only after thirty days have elapsed from the giving of written notice to the State Corporation Commission of the Commonwealth of Virginia of its desire to be so released.

IN WITNESS WHEREOF, the said Principal has hereunto set his hand and seal and the said Surety has caused these presents to be signed by its duly authorized officer or Attorney-in-Fact and its corporate seal affixed on the day and year first written above.

(SEAL OF PRINCIPAL)

(Principal)

BY _____
(If Principal is Partnership or Corporation)

(SEAL OF SURETY)

TITLE _____

(Surety)

COUNTERSIGNED BY:

BY _____
(Officer or Attorney-in-Fact)

(Licensed Virginia Agent of Surety)

Date _____

VIRGINIA
FORM SLB-2 A
(REV. 1/83).

ACKNOWLEDGMENT OF PRINCIPAL
(INDIVIDUAL OR PARTNERSHIP)

STATE OF VIRGINIA
CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City
(County) aforesaid, in the State of Virginia, do certify that _____

whose name or names is or are signed to the foregoing bond bearing date on the _____,
day of _____, 19____, personally appeared before me and acknowledged the
same.

My term of office expires on the _____ day of _____, 19_____

Given under my hand this _____ day of _____, 19_____

Notary Public

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF VIRGINIA
CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City
(County) aforesaid, in the State of Virginia, do certify that _____
_____ personally appeared before me and made oath that he is
_____ of the _____

_____ ; that he is duly authorized to execute the foregoing
bond by virtue of a certain power of attorney of said company, dated _____,
and recorded in the Clerk's office of the _____
of _____, in Deed Book No. _____, page _____; that
said power of attorney has not been revoked; that the said company has complied with all
the requirements of law regulating the admission of such companies to transact business in
the State of Virginia; that the said company holds a license authorizing it to do business
in the State of Virginia; that it has a surplus to policyholders of \$ _____; that
the penalty of the foregoing bond is not in excess of ten per centum of said sum; that the
said company is not by said bond incurring in the aggregate on behalf or on account of the
principal named in said bond a liability for an amount larger than one-tenth of its surplus
to policyholders; that the said company is solvent and fully able to meet promptly all of
its obligations, and the said _____ thereupon, in the name and
on behalf of the said company, acknowledging the foregoing writing as its act and deed.

My term of office expires on the _____ day of _____, 19_____

Given under my hand this _____ day of _____, 19_____

Notary Public

VIRGINIA
FORM SLB-2 B
(REV. 1/82)

ACKNOWLEDGMENT OF PRINCIPAL
(CORPORATIONS ONLY)

STATE OF VIRGINIA
CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that _____ appeared before me personally on the _____ day of _____, 19____ and, being duly sworn by me, deposed and stated that he resides in _____; that he is the _____ of the _____, the corporation described in and which executed the foregoing instrument; that he knows the seal of the corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name thereto by like order.

I further certify that my term of office expires on the _____ day of _____, 19____.

Given under my hand this _____ day of _____, 19____.

Notary Public

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF VIRGINIA
CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that _____ personally appeared before me and made oath that he is _____ of the _____; that he is duly authorized to execute the foregoing bond by virtue of a certain power of attorney of said company, dated _____, and recorded in the Clerk's Office of the _____ of _____, in Deed Book No. _____ page _____; that said power of attorney has not been revoked; that the said company has complied with all the requirements of law regulating the admission of such companies to transact business in the State of Virginia; that the said company holds a license authorizing it to do business in the State of Virginia; that it has a surplus to policyholders of \$ _____; that the penalty of the foregoing bond is not in excess of ten per centum of said sum; that the said company is not by said bond incurring in the aggregate on behalf or on account of the principal named in said bond a liability for an amount larger than one-tenth of its surplus to policyholders; that the said company is solvent and fully able to meet promptly all of its obligations, and the said _____ thereupon, in the name and on behalf of the said company, acknowledging the foregoing writing as its act and deed.

My term of office expires on the _____ day of _____, 19____.

Given under my hand this _____ day of _____, 19____.

Notary Public

personally appeared before me in the County (City) aforesaid, and made oath that the foregoing report is correct.

Given under my hand this _____ day of _____, 19____.

(Notary Public)

My commission expires _____.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

DOCUMENT CONTROL CENTER

AT RICHMOND, DECEMBER 30, 1983

COMMONWEALTH OF VIRGINIA
Dec 30 2 58 PM '83At the relation of the
STATE CORPORATION COMMISSION

040110023

Ex Parte in re: Assessment upon
insurance companies to pay the
expense of maintaining the
Bureau of Insurance for the
calendar year 1984

CASE NO. INS830513

ASSESSMENT ORDER

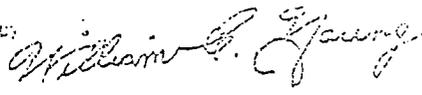
Pursuant to Virginia Code §§38.1-44 and 38.1-45,

IT IS ORDERED that there be assessed, for the calendar year 1984, upon each insurance company doing business in this Commonwealth, except for fraternal benefit societies, in proportion to its direct gross premium income on business done in this Commonwealth during the calendar year 1983, six hundredths of one percent of such direct gross premium income as its just share of the expense of maintaining the Bureau of Insurance of the State Corporation Commission; provided, however, in any year in which any such company has no direct gross premium income, or in which such company's direct gross premium income is insufficient to produce at the rate of assessment hereinbefore set forth an amount of contribution equal to or in excess of \$300, there shall be so apportioned and assessed against such company a contribution in the amount of \$300.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to the Bureau of Insurance which shall forthwith cause a copy thereof to be furnished to each such insurance company as notice of the aforesaid assessment as required by Virginia Code §38.1-45; and Walton H. Jones, Jr., Fiscal Director.

ATTESTED COPY

Teste.


 Clerk of State Corporation Commission