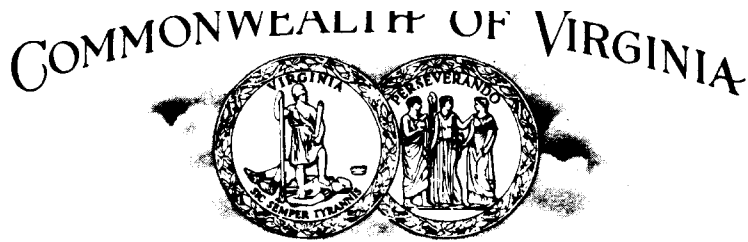


JAMES M. THOMSON
COMMISSIONER OF INSURANCE
THOMAS S. NARDO
FIRST DEPUTY COMMISSIONER



BOX 1157
RICHMOND, VA. 2320
TELEPHONE (804) 786-3

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

January 15, 1987

Administrative Letter 1987-1

MEMORANDUM

TO: All Persons Licensed as Surplus Lines Brokers in Virginia

RE: Gross Premiums Tax Report - Calendar Year 1986
Application for License

ON OR BEFORE MARCH 1, 1987, every person who held a license as a Surplus Lines Broker in the preceding calendar year must file a "Gross Premiums Tax Report" on business transacted during the preceding calendar year and must pay the applicable premium taxes and/or assessment. Failure to file and/or pay on or before March 1st will subject you to the penalties prescribed by law.

In addition to the forms pertaining to your filing of the "Gross Premiums Tax Report", enclosed are the necessary forms to apply for renewal of your license as a Surplus Lines Broker, which expires March 15, 1987. Under the provisions of Title 38.2, Chapter 48, of the Code of Virginia, the new license, regardless of when issued and effective, will expire March 15, 1988. To assure that a lapse in licensing does not occur, the application, fee remittance, bond, affidavit and acknowledgements, all properly completed, must be received by the Bureau of Insurance at the earliest possible moment, but in any event, prior to March 15, 1987.

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

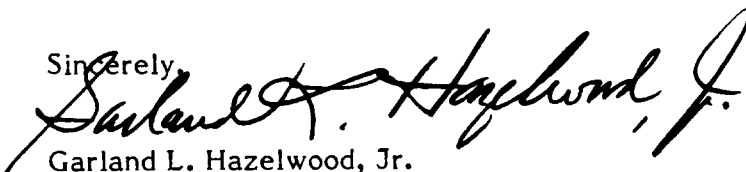
1. ALL FORMS MUST BE COMPLETED AND FILED WHETHER OR NOT YOU TRANSACTED BUSINESS IN THE PRECEDING CALENDAR YEAR. ASSESSMENT PER ATTACHED ORDER (MINIMUM \$300.00) APPLICABLE IN ALL CASES IF LICENSE IN EFFECT JANUARY 1, 1987.

(over)

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. Please note that either legible copies of the previously filed monthly reports, or a summary for all policies using Form SLB-8 Part 1, must be attached.
 - b. ADDITIONAL PREMIUMS BY ENDORSEMENTS AND AUDITS
Form SLB-8 Part 2. If "NIL", so state.
 - c. RETURN PREMIUMS BY ENDORSEMENTS, AUDITS, CANCELLATIONS
Form SLB-8 Part 3. If "NIL", so state.
3. ENTER TOTALS FROM FORMS SLB-7a (or SLB-8 Part 1), SLB-8 PART 2 AND SLB-8 PART 3 to FORM SLB-7, EXECUTE FORM SLB-7 BEFORE A NOTARY PUBLIC.
4. INCLUDE YOUR REMITTANCE FOR THE TAXES AND ASSESSMENT WITH THE REPORT.

Please direct any questions you might have to James L. Sheets at (804) 786-6099.

Sincerely,



Garland L. Hazelwood, Jr.
Assistant Commissioner
Property and Casualty

GLHjr:ff

Enclosures:

Assessment Order
Form SLB-1 - Application for License
Form SLB-2 - Bond
Form SLB-2a - Acknowledgement of Principal
Form SLB-2b - Acknowledgement of Principal
Form SLB-7 - Gross Premiums Tax Report
Form SLB-8 Part 1 - Gross Premiums Report
Form SLB-8 Part 2 - Additional Premiums Report
Form SLB-8 Part 3 - Return Premiums Report
Form SLB-8 Part 4 - Notarization