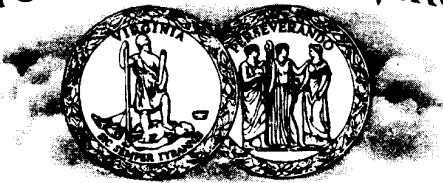


COMMONWEALTH OF VIRGINIA



STEVEN T. FOSTER
COMMISSIONER OF INSURANCE

Box 1157
RICHMOND, VA 23209
TELEPHONE: (804) 786-3741

STATE CORPORATION COMMISSION BUREAU OF INSURANCE

January 15, 1988

Administrative Letter 1988-1

M E M O R A N D U M

TO: All Persons Licensed as Surplus Lines Brokers in Virginia

**RE: Gross Premiums Tax Report - Calendar Year 1987
Application for License**

ON OR BEFORE MARCH 1, 1988, 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.

The Bureau has made some minor changes on the Gross Premiums Tax Report form (SLB-7). The information requested in the form is presented in a different order to facilitate data entry. Also enclosed are revised SLB-7a (Monthly Gross Premiums), SLB-8 Part 1 (Annual Gross Premiums), and SLB-11 Part 1 (Quarterly Gross Premiums) forms which have been reduced in size for ease in handling. Please use the revised SLB-7 and SLB-8 Part 1 forms in reporting taxes this year, and begin using revised SLB-7a and SLB-11 Part 1 forms in future monthly and quarterly tax reporting.

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, 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, 1988.

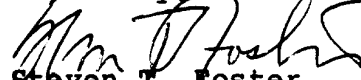
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PLEASE OBSERVE THE FOLLOWING INSTRUCTIONS IN COMPLETING THE ENCLOSED "GROSS PREMIUMS TAX REPORT" FORMS:

1. ALL FORMS MUST BE COMPLETED AND FILED WHETHER OR NOT YOU TRANSACTED BUSINESS IN THE PRECEDING CALENDAR YEAR. PER THE ATTACHED ORDER, THE 1988 ASSESSMENT IS SEVEN HUNDREDTH'S OF ONE PERCENT OF THE GROSS PREMIUMS SUBJECT TO A \$300.00 MINIMUM. THE ASSESSMENT IS DUE WITH YOUR TAX PAYMENT AND IS APPLICABLE IN ALL CASES IF THE LICENSE WAS IN EFFECT JANUARY 1, 1988.
2. REPORT PREMIUMS ACCURATELY AS FOLLOWS:
 - a. INITIAL GROSS PREMIUMS taken from monthly reports on Forms SLB-7a or SLB-5b (must agree with premiums on original affidavits). 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, SLB-5b, 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 Jerry Lathrop at (804) 786-6099 or in Virginia only 1-800-552-7945.

Sincerely,



Steven T. Foster
Commissioner of Insurance

STP/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 (Revised 12/87)

Form SLB-7a - Gross Premiums Report (Revised 12/87)

Form SLB-8 Part 1 - Gross Premiums Report (Revised 12/87)

Form SLB-8 Part 2 - Additional Premiums Report

Form SLB-8 Part 3 - Return Premiums Report

Form SLB-8 Part 4 - Notarization

Form SLB-11 Part 1 - Gross Premiums Report (Revised 12/87)