**Section 2505.80 Financial Regulation Fee for Foreign and Alien Companies**

An annual financial regulation fee shall be charged and collected from every foreign or alien company, except fraternal benefit societies, for the examination and analysis of its financial condition. *The fee shall be a fixed amount based upon the Illinois direct premium income and nationwide reinsurance assumed premium income in accordance with the following schedule* [215 ILCS 5/408(7)]:

a) If the Illinois direct premium is:

1) Less than $500,000 and there is no reinsurance assumed premium, the fee is $150;

2) $500,000 or more, but less than $5,000,000 and there is no reinsurance assumed premium; or if the Illinois direct premium is less than $5,000,000 and the reinsurance assumed premium is less than $10,000,000, the fee is $750;

3) Less than $5,000,000 and the reinsurance assumed premium is $10,000,000 or more, the fee is $3,750;

4) $5,000,000 or more, but less than $10,000,000, the fee is $7,500;

5) $10,000,000 or more, but less than $25,000,000, the fee is $18,000;

6) $25,000,000 or more, but less than $50,000,000, the fee is $22,500;

7) $50,000,000 or more, but less than $100,000,000, the fee is $30,000; or

8) $100,000,000 or more, the fee is $37,500.

b) The sum of financial regulation fees in any single calendar year charged to foreign or alien companies within the same affiliated group shall not exceed $250,000, in the aggregate, as calculated in subsection (b)(2) of this Section.

1) On or before April 1st of every calendar year every affiliated group must notify the Department in writing to the attention of the Tax and Fiscal Section that the affiliated group intends to utilize this Section and must designate one foreign or alien member of the group to be billed by the Director for the entire foreign or alien affiliated group's financial regulation fee.

2) The sum of the financial regulation fees, in the aggregate, shall be calculated by totaling the amount of financial regulation fees paid by the foreign or alien companies of the same affiliated group. No financial regulation fee paid by a domestic company of the same affiliated group shall be included in the aggregate amount of the affiliated group's foreign or alien companies' aggregate sum. Illustration B of this Part is an example of this calculation.

3) For purposes of calculating the retaliatory tax pursuant to 50 Ill. Adm. Code 2515, the foreign or alien affiliated group's financial regulation fee shall be allocated by determining the sum of the foreign or alien affiliated group's Illinois direct premiums by totaling each of the affiliated group's individual foreign or alien company's Illinois direct premiums. Do not include any domestic company's Illinois direct premium of the same affiliated group when determining the sum of the foreign or alien affiliated group's Illinois direct premiums. Divide the individual foreign or alien company's Illinois direct premiums by the sum of the foreign or alien affiliated group's Illinois direct premiums to determine that individual foreign or alien company's financial regulation fee allocation percentage. Multiply that individual foreign or alien company's allocation percentage by $100,000 to determine the financial regulation fee paid by that foreign or alien company.

c) The financial regulation fee is due upon receipt of the Department's invoice and must be paid no later than June 30th of each calendar year [215 ILCS 5/408(8)].

d) A foreign or alien company, and foreign or alien companies who are part of an affiliated group which is not proceeding pursuant to subsection (b) of this Section, must each include the Department's invoice, if applicable, and make payment pursuant to 50 Ill. Adm. Code 2500.70(a).

(Source: Amended at 29 Ill. Reg. 9477, effective July 1, 2005)