**Section 2510.ILLUSTRATION A Calculation of the Annual Privilege Tax**

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|  |  | **Property and Casualty Insurance Companies** |
|  | **Privilege Tax Calculation** | **1****Premium** | **2****Premium Rate** | **3****Premium Tax** |
| 1 | Property and Casualty Insurance Premiums (Page 15 Column 2. Line 32 of the Annual Statement except Lines 13 thru 15.6 and other exempt lines of premium) |  |  |  |
| 2 | Finance and service charges as reported on Page 15 of the Annual Statement |  |  |  |
| 3 | DEDUCTIONS |  |  |  |
|  | Dividends paid or credited to policyholders on premiums reported on Line 1 (Page 15. Column 4 of the Annual Statement) |  |  |  |
| 4 | NET TAXABLE PROPERTY & CASUALTY PREMIUMS (Column 1. Line 1 plus 2 minus 3) |  |  |  |
| 5 | Property & Casualty Premium Tax (Column 1. Line 4 x Column 2) |  | .005 |  |
| 6 | Accident and Health Premiums (Page 15. Column 2. Lines 13 thru 15.6 per Rule 2510.50) (July 1 thru Dec. 31, 1998) |  |  |  |
| 7 | DEDUCTIONS |  |  |  |
|  | Dividends paid or credited to policyholders on premiums reported on Line 6 (Page 15. Column 4 of the Annual Statement) (July 1 thru December 31, 1998) |  |  |  |
| 8 | NET TAXABLE ACCIDENT AND HEALTH PREMIUMS (Column 1. Line 6 minus Line 7) (July 1 thru Dec. 31 1998) |  |  |  |
| 9 | Property & Casualty Accident & Health Premium Tax (Column 1 Line 8 x Column 2) |  | .004 |  |
| 10 | **Net Premium Tax Before Credits (Column 3, Line 5 plus Line 9)** |  |  |  |
|  | **Less Credits to the Privilege Tax** |  |  |  |
| 11 | FIRE DEPARTMENT TAXES PAID |  |  |  |
|  | 11a Fire Department Taxes paid to Illinois Municipal League |  |  |  |
|  | 11b Fire Department Taxes-Other (Proof of Payment) |  |  |  |
|  | 11c Total Fire Department Taxes (Col 1. Lines 11a plus 11b) |  |  |  |
|  | CORPORATE & REPLACEMENT INCOME TAX INTERGRADATION EXCESS |  |  |  |
|  | Complete Lines 12 thru 13 if Corporate and Replacement Income Taxes are not paid on a Unitary Method. If paid on a Unitary Method go to U-1 Schedule and complete as directed |  |  |  |
| 12 | ILLINOIS CORPORATE INCOME TAX PAYMENTS |  |  |  |
|  | 12a 1997 Final Payment |  |  |  |
|  | 12b 1998 Total Quarterly Payments |  |  |  |
|  | 12c Other Payments paid during Calendar Year 1998 |  |  |  |
|  | 12d Less State Income Tax Cash Refunds Received |  |  |  |
|  | 12e TOTAL |  |  |  |
| 13 | ILLINOIS PERSONAL PROPERTY REPLACEMENT CORPORATE INCOME TAX PAYMENTS |  |  |  |
|  | 13a 1997 Final Payment |  |  |  |
|  | 13b 1998 Total Quarterly Payments |  |  |  |
|  | 13c Other Payments paid during Calendar Year 1998 |  |  |  |
|  | 13d Less Replacement State Income Tax Cash Refunds Received |  |  |  |
|  | 13e TOTAL |  |  |  |
| 14 | TOTAL NET INCOME TAXES (12e plus 13e) |  |  |  |
| 15 | Unitary Member Income Tax Offset (Schedule U-1) |  |  |  |
| 16 | Total Property and Casualty Premium & Accident and Health Premium (Col 1 Line 4 plus Col 1 Line 8) |  |  |  |
| 17 | Intergradation Offset is excess of 1.5% Net Taxable Premium (Line 16 x 1.5%) |  |  |  |
| 18 | Intergradation Offset Amount (Line 14 or 15 minus Line 17) If negative enter zero |  |  |  |
| 19 | NET PREMIUM TAX (Line 10 less Line 11c less Line 18) (cannot be less than -0-) |  |  |  |

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|  |  | **Life and Accident and Health Insurance Companies** |
| **Privilege Tax Calculation** | **1****Premium** | **2****Premium Rate** | **3****Premium Tax** |
| 1 | Life Insurance Premiums (Page 21, Column 6. Line 1 per Annual Statement) |  |  |  |
| 2 | DEDUCTIONS |  |  |  |
|  | a Dividends Paid in Cash |  |  |  |
|  | b Dividends Applied in Reduction of Premiums |  |  |  |
|  | c Return Premiums |  |  |  |
|  | d Total Deductions |  |  |  |
| 3 | NET TAXABLE DIRECT LIFE PREMIUMS (Column 1, Line 1 minus 2d) |  |  |  |
| 4 | Net Direct Life Premium Tax (Line 3, Column 1 x Column 2) |  | .005 |  |
| 5 | Accident and Health Premiums (Page 21, Column 2, Line 25 minus Line 23.1 per Annual Statement) (July 1 thru December 31, 1998) |  |  |  |
| 6 | DEDUCTIONS |  |  |  |
|  | Dividends Paid in Cash or Credited to Policyholders on premiums reported on Line 5 (July 1 thru Dec. 31, 1998) |  |  |  |
| 7 | NET TAXABLE ACCIDENT AND HEALTH PREMIUMS (Column 1, Line 5 minus Line 6) (July 1 thru Dec. 31, 1998) |  |  |  |
| 8 | Net Accident & Health Premium Tax (Line 7, Column 1 x Column 2) |  | .004 |  |
| 9 | **Net Premium Tax Before Credits (Column 3, Line 4 plus Column 3, Line 8)** |  |  |  |
|  | **Less Credits to the Privilege Tax** |  |  |  |
|  | CORPORATE & REPLACEMENT INCOME TAXINTERGRADATION EXCESS |  |  |  |
|  | Complete Lines 10 thru 11 if Corporate and Replacement Income Taxes are not paid on a Unitary Method. If paid on a Unitary Method go to U-1 Schedule and complete as directed |  |  |  |
| 10 | ILLINOIS CORPORATE INCOME TAX PAYMENTS |  |  |  |
|  | 10a 1997 Final Payment |  |  |  |
|  | 10b 1998 Total Quarterly Payments |  |  |  |
|  | 10c Other Payments paid during Calendar Year 1998 |  |  |  |
|  | 10d Less State Income Tax Cash Refunds Received  |  |  |  |
|  | 10e TOTAL |  |  |  |
| 11 | ILLINOIS PERSONAL PROPERTY REPLACEMENT CORPORATE INCOME TAX PAYMENTS |  |  |  |
|  | 11a 1997 Final Payment |  |  |  |
|  | 11b 1998 Total Quarterly Payments |  |  |  |
|  | 11c Other Payments paid during Calendar Year 1998 |  |  |  |
|  | 11d Less Replacement State Income Tax Cash Refunds Received |  |  |  |
|  | 11e TOTAL |  |  |  |
| 12 | TOTAL NET INCOME TAXES (10e plus 11e) |  |  |  |
| 13 | Unitary Member Income Tax Offset (Schedule U-1) |  |  |  |
| 14 | Total Life Insurance Premium & Accident and Health Premium (Column 1 Line 3 plus Column 1 Line 7) |  |  |  |
| 15 | Intergradation Offset is excess of 1.5% Net Taxable Premium (Line 14 x 1.5%) |  |  |  |
| 16 | Intergradation Offset Amount (Line 12 or 13 minus Line 15) If negative enter zero |  |  |  |
| 17 | **NET PREMIUM TAX (Line 9 minus Line 16) (cannot be less than -0-)** |  |  |  |

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|  | **Privilege Tax Calculation** | **1****Premium** | **2****Premium Rate** | **3****Premium Tax** |
| 1 | PREMIUMS |  |  |  |
| 2 | NET PREMIUM TAX (Column 1, Line 1 x Column 2) |  | .004 |  |
|  | **Less Credits to the Privilege Tax** |  |  |  |
|  | CORPORATE & REPLACEMENT INCOME TAXINTERGRADATION EXCESSComplete Lines 3 thru 4 if Corporate and Replacement Income Taxes are not paid on a Unitary Method. If paid on a Unitary Method, go to U-1 Schedule and complete as directed |  |  |  |
| 3 | ILLINOIS CORPORATE INCOME TAX PAYMENTS |  |  |  |
|  | 3a 1997 Final Payment |  |  |  |
|  | 3b 1998 Total Quarterly Payments |  |  |  |
|  | 3c Other Payments paid during Calendar Year 1998 |  |  |  |
|  | 3d Less State Income Tax Cash Refunds Received |  |  |  |
|  | 3e TOTAL |  |  |  |
|  |  |  |  |  |
| 4 | ILLINOIS PERSONAL PROPERTY REPLACEMENT CORPORATE INCOME TAX PAYMENTS |  |  |  |
|  | 4a 1997 Final Payment |  |  |  |
|  | 4b 1998 Total Quarterly Payments |  |  |  |
|  | 4c Other Payments paid during Calendar Year 1998 |  |  |  |
|  | 4d Less Replacement State Income Tax Cash |  |  |  |
|  | Refunds Received |  |  |  |
|  | 4e TOTAL |  |  |  |
| 5 | TOTAL NET INCOME TAXES (Line 3e + 4e Column 1) |  |  |  |
| 6 | Unitary Member Income Tax Offset (Schedule U-1) |  |  |  |
|  |  |  |  |  |
| 7 | Intergradation Offset is excess of 1.5% Net Taxable Premium (Line 1 Column 1 x 1.5%) |  |  |  |
|  |  |  |  |  |
| 8 | Intergradation Offset Amount (Line 5 or 6 minus Line 7 if negative enter -0-)  |  |  |  |
| 9 | NET PREMIUM TAX (Line 2 Column 3 minus Line 8) |  |  |  |