**Section 2701.80 Surplus Line Association of Illinois**

a) All surplus line insurance must be submitted to the Surplus Line Association if Illinois is the insured's home state, as that term is defined in Section 445. The Surplus Line Association will process and countersign the insurance policies or contracts, keep records of the business written and report to the surplus line producers and to the Director pursuant to Sections 445 and 445.1 of the Code. The Surplus Line Association shall report to the Director and, at the discretion of the Director, to the surplus line producers:

1) by July 15 each year, the business processed by each surplus line producer during the six month period ending June 30; and

2) by January 15 each year, the business processed by each surplus line producer during the six month period ending December 31 of the previous year.

b) The Surplus Line Association is authorized to charge a fee to cover its cost of operations. The fee is payable by the surplus line producer based on the same gross premiums that are subject to the surplus line tax. The fee schedule is subject to the Director's approval. The Director's approval of the fee schedule shall be determined from the annual audited financial report submitted to the Director by the Surplus Line Association.

c) The Surplus Line Association shall maintain records of surplus line insurance submitted by surplus line producers for a period of 10 years.

d) *The Association shall annually provide for an independent financial audit of the books and records of the Association by a certified public accountant and shall provide a copy of the audit report to the Director*. (Section 445.4 of the Code)

(Source: Amended at 40 Ill. Reg. 216, effective December 21, 2015)