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| **MONTANA SURPLUS LINES ENDORSEMENT / CANCELLATION COVER SHEET**  **THIS FORM IS TO BE USED FOR ELECTRONIC FILINGS ONLY – A 0% (0.0) STAMPING FEE WILL BE ASSESSED FOR FILINGS WITH THIS FORM – RETAIN A COPY FOR YOUR RECORDS**  **NOTICE: ALL FIELDS IN THE ELECTRONIC FILING MUST BE COMPLETED, PER INSTRUCTIONS, TO SUBMIT THE FILING TO THE CSI** | |
| NAME OF INSURED  ENDORSEMENT # OR CANCELLATION o (check if cancellation) | |
| COMPANY POLICY # | |
| EFFECTIVE DATE EXPIRATION DATE  EX:01/01/2019 EX:01/01/2020 | |
| ENDORSEMENT/CANCELLATION EFFECTIVE DATE\*  EX:05/01/2019 | |
| **\*** Enter the day prior to effective date of policy for a flat cancellation of the policy  **NOTICE: Under Montana law, inspection fees for the actual cost of inspecting the risk to be covered may be charged. Other fees, such as placement fees, are not permitted.**  **Effective on July 1, 2015, Montana law allows the surplus lines agent to charge up to a $50 tax free fee for personal lines and up to a $100 tax free fee for commercial lines for new and renewal business. Inspection fees for the actual cost of inspecting the risk to be reported on the line above.**  **PREMIUM** Additional Premium  (Return Premium) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **FIRE PREMIUM**  **INSPECTION FEE**  **PREMIUM TAX 0.0275%**  **FIRE TAX 0.025%**  **STAMPING FEE 0.0% if filed electronically**  SURPLUS LINES PRODUCER: **SL PRODUCER**  **AGENCY NAME**  **ADDRESS**  **CITY/ST/ZIP**  SURPLUS LINES INDIVIDUAL LICENSE NO. | |
| *For Office Use Only:* |  |
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| Per Montana Code Annotated 33-2-308 | |

APPENDIX

Surplus Lines Definitions 33-2-301, MCA

**Authorized insurer** means an insurer authorized pursuant to 33-2-101 to transact insurance in this state.

**Control** - including the terms "controlled by" and "under common control with", means that: (i) the person directly or indirectly or acting through one or more other persons owns, controls, or has the power to vote 25% or more of any class of voting securities of a business entity; or

(ii) the person controls in any manner the election of a majority of the directors or trustees of a business entity.

**Eligible Surplus Lines Insurer** means an unauthorized insurer that is eligible to issue surplus lines insurance under 33-2-307.

**Exempt commercial purchaser defined.** (1) An exempt commercial purchaser means an individual or business entity who at the time of placement:

1. employs or retains a qualified risk manager to negotiate insurance coverage;
2. has paid aggregate nationwide commercial property and casualty insurance premiums in excess of $100,000 in the immediately preceding 12 months; and
3. meets at least one of the following criteria:
4. possesses a net worth in excess of $20 million, as that amount may be adjusted pursuant to subsection (2);
5. generates annual revenue in excess of $50 million, as that amount may be adjusted pursuant to subsection (2);
6. employs more than 500 full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than 1,000 employees in the aggregate;
7. is a not-for-profit organization or a public entity generating annual budgeted expenditures of at least $30 million, as that amount may be adjusted pursuant to subsection (2); or
8. is a municipality with a population in excess of 50,000 persons.

(2) Effective January 1, 2015, and on every 5th subsequent January 1, the amounts in subsections (1)(c)(i), (1)(c)(ii), and (1)(c)(iv) must be adjusted to reflect the percentage of change for that 5-year period in the consumer price index for all urban consumers published by the bureau of labor statistics of the United States Department of Labor.

**Independently procured insurance** means surplus lines insurance procured directly by an insured from an eligible surplus lines insurer.

**Principal place of business** means the state where the insured business maintains its headquarters and where the insured's high-level officers direct, control, and coordinate the business activities of the insured.

**Principal residence** means the state where an individual insured resides for the greatest number of days during a calendar year or, if the insured's principal residence is located outside of any state, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is located.

**Surplus lines insurance** means any property or casualty insurance permitted in a state to be placed directly or through a surplus lines insurance producer with an unauthorized insurer eligible to accept the insurance. The term includes independently procured insurance.

**Unauthorized insurer** means with respect to a state, an insurer not authorized to transact the business of insurance in the state. The term includes an insurance exchange authorized under the laws of another state. The term does not include a risk retention group, as that term is defined in the Liability Risk Retention Act of 1986, 15 U.S.C. 3901(a)(4).