

**NONADMITTED INSURANCE MULTI-STATE AGREEMENT (NIMA)
AS AMENDED, SEPTEMBER 13, 2011**

WHEREAS, the Nonadmitted and Reinsurance Reform Act of 2010 (“NRRA”), which was incorporated into the Dodd-Frank Wall Street Reform and Consumer Protection Act, provides that only an insured’s “Home State” may require a premium tax payment for Nonadmitted Insurance; and

WHEREAS, the NRRA authorizes States to enter into a compact or otherwise establish procedures to allocate among the States the Nonadmitted Insurance premium taxes;

NOW, THEREFORE, in consideration of the foregoing, the Participating States that are signatories hereto, do freely and voluntarily enter into this Agreement under the following terms and conditions:

PART I

Purpose

The purposes of this Agreement, through means of joint and cooperative action among the Participating States, are to:

1. Facilitate the payment and allocation of premium taxes on Nonadmitted Insurance for Multi-State Risks among the Participating States in accordance with the premium tax allocation method and formula contained in the Annexes attached to this Agreement and based on the rates established by each Participating State.
2. Implement nationwide uniform requirements, forms and procedures that facilitate the reporting, payment, collection and allocation of premium taxes for Nonadmitted Insurance for Multi-State Risks as contemplated by the NRRA.
3. Coordinate reporting of premium taxes and transaction data on Multi-State Risks among Participating States.
4. Establish a Clearinghouse to facilitate the receipt and distribution of premium taxes and transaction data related to Nonadmitted Insurance of Multi-State Risks.

PART II

Definitions

5. For purposes of this Agreement, the following definitions shall apply:
 - a. “**Agreement**” means this Nonadmitted Insurance Multi-State Agreement (NIMA), entered into by the Participating States pursuant to Section 521(b)(1) of the NRRA.

b. "**Admitted Insurer**" means, with respect to a State, an insurer that is licensed to transact the business of insurance in such State.

c. "**Clearinghouse**" means the entity established pursuant to this Agreement to facilitate the receipt and distribution of premium taxes and transaction data related to Nonadmitted Insurance.

d. "**Home State**" means,

(1) In General.—Except as provided in paragraphs (2) through (5), the term “Home State” means, with respect to an insured—

(A) the State in which an insured maintains its principal place of business or, in the case of an individual, the individual’s principal residence; or

(B) if 100 percent of the insured risk is located out of the State referred to in subparagraph (A), the State to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.

(2) “Principal place of business” means, with respect to determining the Home State of the insured, (a) the State where the insured maintains its headquarters and where the insured’s high-level officers direct, control and coordinate the business activities; or (b) if the insured’s high-level officers direct, control and coordinate the business activities in more than one State, the State in which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated; or (c) if the insured maintains its headquarters or the insured’s high-level officers direct, control and coordinate the business activities outside any State, the State to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.

(3) “Principal residence” means, with respect to determining the Home State of the insured, (a) the State where the insured resides for the greatest number of days during a calendar year; or (b) if the insured’s principal residence is located outside any State, the State to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.

(4) Affiliated Groups.—If more than one insured from an affiliated group are named insureds on a single Nonadmitted Insurance contract, the term “Home State” means the Home State, as determined pursuant to subparagraph (A) of paragraph (1) of this subsection, of the member of the affiliated group that has the largest percentage of premium attributed to it under such insurance contract.

(5) Group Insurance. When the group policyholder pays 100% of the premium from its own funds, the term “Home State” means the Home State, as determined pursuant to subparagraph (A) of paragraph (1) of this subsection, of the group policyholder. When the group policyholder does not pay 100% of the premium from its own funds, the term “Home State” means the Home State, as determined pursuant to subparagraph (A) of paragraph (1) of this subsection, of the group member.

e. "**Independently Procured Insurance**" means insurance procured by an insured directly from a Nonadmitted Insurer as permitted by the laws of the Home State.

f. “**Licensed**” means, with respect to an insurer, authorization to transact the business of insurance by a license, certificate of authority, charter, or otherwise.

g. “**Multi-State Risk**” means a risk covered by a Nonadmitted Insurer with insured exposures in more than one State.

h. “**Nonadmitted Insurance**” means any Property and Casualty Insurance permitted in a State to be placed directly or through a Surplus Lines Licensee with a Nonadmitted Insurer eligible to accept such insurance. For purposes of this Agreement, Nonadmitted Insurance includes Independently Procured Insurance and Surplus Lines Insurance.

i. “**Nonadmitted Insurer**” means, with respect to a State, an insurer not licensed to engage in the business of insurance in such State, but shall not include a risk retention group, as that term is defined in section (2)(a)(4) of the Liability Risk Retention Act of 1986 (15 U.S.C. 3901(a)(4)).

j. “**Non-Participating State**” means any State that has not executed this Agreement.

k. “**Participating State**” means any State that has executed this Agreement and that has not withdrawn or defaulted pursuant to Part VII.

l. “**Property and Casualty Insurance**” means any kind of insurance on property, fidelity and surety insurance, or liability insurance, but does not mean title insurance, workers’ compensation insurance, or any insurance on the life of a person, including life insurance, annuities, accident and health insurance, or disability insurance.

m. “**Single-State Risk**” means a risk with insured exposures in only one State.

n. “**Surplus Lines Insurance**” means insurance procured by a Surplus Lines Licensee from a Surplus Lines Insurer as permitted under the law of the Home State; for purposes of this Agreement, “Surplus Lines” shall also mean excess line as may be defined by applicable State law.

o. “**Surplus Lines Insurer**” means a Nonadmitted Insurer permitted under the law of the Home State to accept business from a Surplus Lines Licensee.

p. “**Surplus Lines Licensee**” means an individual, firm or corporation that is licensed in a State to sell, solicit or negotiate insurance, including the agent of record on a Nonadmitted Insurance policy, on properties, risks or exposures located or to be performed in a State with Nonadmitted Insurers.

6. In this Agreement, unless otherwise specified, words or expressions used in this Agreement have the same meaning as in the Nonadmitted and Reinsurance Reform Act of 2010.

7. The following are the Annexes that are attached to, and that form an integral part of, this Agreement: **Annex A** - Nonadmitted Insurance Premium Tax Allocation Schedule; **Annex B** –

Allocation Formula; and **Exhibit 1** – Information Required to be Submitted by the Broker or Insured via the Clearinghouse Web Portal.

PART III

Implementation

8. The Participating State, as signatory herein, represents that it has the legal authority necessary to enter into this Agreement for the purposes stated in the Agreement, including the allocation among the other Participating States of applicable Nonadmitted Insurance premium taxes and the use of the designated Clearinghouse for the facilitation of the payment and distribution of such premium taxes.
9. Pursuant to the terms of this Agreement, each Participating State agrees to:
 - a. implement nationwide uniform requirements, forms and procedures that facilitate the reporting, payment, collection and allocation of premium taxes for Nonadmitted Insurance for Multi-State Risks;
 - b. allocate among the applicable Participating States the Nonadmitted Insurance premium taxes required by an insured's Home State as described herein;
 - c. work collaboratively and in a timely manner towards the imposition of NRRA's Nonadmitted Insurance premium tax reforms by July 21, 2011; and
 - d. establish and utilize a Clearinghouse to facilitate the receipt, allocation, and distribution of the payment of Nonadmitted Insurance premium taxes to the Participating States.

PART IV

Collection and Allocation Procedures

10. The Clearinghouse will be selected by a majority vote of the Participating States present and voting at the time of selection. The Clearinghouse shall operate pursuant to a plan of operation, approved by two-thirds of the Participating States present and voting, to ensure that the Clearinghouse and its computer software system are capable of meeting the requirements of this Agreement.
11. Each Participating State agrees to use the Clearinghouse for all Multi-State Risks with exposure in two or more Participating States for which that state is the Home State. Except as otherwise provided, each Participating State agrees to require Surplus Lines Licensees and insureds who independently procure insurance to use the Clearinghouse for the reporting and payment of Nonadmitted Insurance premium taxes for all Multi-State Risks for which that state is the Home State. This Agreement shall not require a Participating State to treat any Property and Casualty Insurance as Nonadmitted Insurance where the laws of the State do not provide such treatment. Further, each Participating State may, at its discretion, and using the same expense methodology as that used for Multi-State Risks, agree to use the Clearinghouse for any Single-State Risks or non-Property and Casualty Insurance risks for which that state is the Home State. Additionally, each Participating State may, at its discretion, using the same

expense methodology as that used for Multi-State Risks, agree to use the Clearinghouse for any multi-state risks with exposure in only one Participating State, where the Participating State is also the Home State.

12. Each Participating State agrees to contract with the Clearinghouse separately, or jointly through the Association referenced in Part XII, paragraph number 43, of the Agreement, to provide the services that are the subject of this Agreement. There shall be no material variations in the terms of each Participating State's contract with the Clearinghouse and each such contract shall include, but not be limited to, terms prohibiting the Clearinghouse from lobbying, accepting gifts or donations from other than state or federal governmental entities, participating in political activity of any kind, or conflicts of interest, and shall include terms requiring confidentiality of information received by or provided to the Clearinghouse.

13. Each Participating State agrees to require the payment of taxes, fees and assessments when the Participating State is the Home State as follows: (a) as determined by the Home State on the portion of the premium allocated to the Home State based on Annex A and Annex B; (b) specified by each Participating State on the portion of the premium allocated to that State based on Annex A and Annex B; and (c) determined by the Home State on any portion of the premium not allocated under subsections (a) and (b) of this section. Each Participating State agrees to establish for each kind of insurance policy one tax rate, encompassing any applicable taxes, fees and assessments, that applies to Nonadmitted Insurance of that kind; provided, however, that nothing shall require a Participating State to impose a tax on any kind of insurance for which the State presently does not have an obligation to tax or has allowed an exemption; and further provided that, where a Home State utilizes a surplus lines stamping office, the stamping office may, in accordance with the laws of that State, impose stamping fees in addition to the tax.

14. Each Participating State shall give notice to the Clearinghouse of any changes to its statewide Nonadmitted Insurance premium tax rate and any statewide assessments at least ninety (90) days prior to the effective date of such changes. However, if a change in a Participating State's Nonadmitted Insurance premium tax rate and any statewide assessments is effective within a timeframe that makes it impossible to provide at least ninety (90) days advance notice to the Clearinghouse, the Participating State must give notice to the Clearinghouse as soon as reasonably possible as to the effective date of such changes. The Clearinghouse will send notice of any changes to all of the Participating States via electronic mail to the designated contact of each Participating State.

15. Each Participating State agrees to authorize the Clearinghouse, when the Participating State is the Home State, to collect a reasonable uniform fee, to be established by a majority vote of the Participating States present and voting, and which is payable by the insured directly or through a Surplus Lines Licensee on each transaction processed through the Clearinghouse to cover the cost of the operations and activities of the Clearinghouse. If the Home State has a stamping office, this fee shall be in addition to the service fee that is received by the stamping office.

16. No Participating State, other than the Home State, may require a Surplus Lines Licensee to submit data, reports or insurance documentation to a stamping office of that State. A Home State with a stamping office may require the initial submission of transaction data to the stamping office of that State provided the State agrees by contract with the Clearinghouse to forward relevant transaction data, to the Clearinghouse for distribution to other Participating States.

17. Except as otherwise provided, each Participating State agrees to require, by statute or rule, for those policies of Nonadmitted Insurance where that State is the Home State and for which the payment of Nonadmitted Insurance premium taxes is due, that the Surplus Lines Licensee or insured who independently procures insurance shall forward such payments and related information based on Annex A and Annex B to the Clearinghouse for deposit in the bank lockbox or other designated account as determined by the applicable Participating State. Each Participating State agrees to require that the payment of Nonadmitted Insurance premium taxes will be accompanied by transaction data consistent with Exhibit 1. After the Clearinghouse has reconciled the payments received, allocated the tax payments amongst the Participating States and netted the payment amounts, the appropriate amount will be deposited or transferred into each Participating State's depository account at the banking or financial institution selected by the Participating State. With respect to the depository accounts of the Participating States, the Clearinghouse shall only have the authority to view the transactions associated with the premium taxes collected and on deposit in the depository account of the Participating States.

18. For those policies of Nonadmitted Insurance where transaction data consistent with Exhibit 1 is submitted prior to the payment of Nonadmitted Insurance premium taxes, each Participating State agrees that the accounting of taxes due will be tracked by the Clearinghouse, and the payment thereof will be handled by the Clearinghouse. Each Participating State agrees to require the Surplus Lines Licensee or insured who independently procures insurance, as applicable, to submit information based on Annex A and Annex B. The Clearinghouse will assess the allocated premium based upon each Participating State's statewide Nonadmitted Insurance tax rate and statewide assessments for each Participating State with exposure. At the end of the reporting period, the Clearinghouse will allocate the amount collected on behalf of the Home State to all other Participating States and net the amounts owed to or from each of the States based on the actual amount collected.

19. The Clearinghouse shall report to the Participating States, Surplus Lines Licensees and insureds who independently procure insurance, within 15 days of the quarterly premium tax filing and payment dates set forth in section 20 of this Part, all premium taxes owed to each of the Participating States for the preceding quarter, the dates upon which payment of such premium taxes are due, and the method by which they were paid to the Clearinghouse.

20. Each Participating State agrees that, when it is the Home State, it shall require tax filings and payments quarterly utilizing the following dates only: February 15 for the quarter ending the preceding December 31, May 15 for the quarter ending the preceding March 31, August 15 for the quarter ending the preceding June 30, and November 15 for the quarter ending the preceding September 30.

21. The Home State agrees to enforce, if necessary and to the extent allowed by the laws of the Home State, any of the following: unpaid tax; interest due; and applicable penalties. The Home State will follow the calculation of these amounts and the methods of collection governed by the laws of the Home State and the plan of operation adopted pursuant to this Agreement.

PART V

Dispute Resolution

22. Each Participating State agrees to exercise best efforts to reach consensus in respect to disputed issues arising on matters governed by this Agreement.

23. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the affected Participating States agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. A dispute involving one or more Participating States or the Clearinghouse is a dispute arising out of or relating to this Agreement for purposes of this Part.

PART VI

Participating States, Effective Date and Amendment

24. Any State is eligible to become a Participating State. This Agreement shall become effective and binding as of the first day the Agreement is executed by the duly authorized representatives of at least two (2) Participating States. After July 21, 2011, a Participating State must give notice to the Clearinghouse that it has joined NIMA no less than thirty (30) days prior to the expiration of a quarter in order to be eligible for participation in the next quarter.

25. Amendments to this Agreement may be proposed by any of the Participating States in the following manner:

a. A proposed amendment is to be submitted to the Chair of the Governing Committee. The Chair shall circulate the proposed amendment to all Participating States for a 30-day comment period. The Participating State who submitted the proposed amendment may revise the proposed amendment in consideration of any comments received during the comment period or to make any additional technical or grammatical changes. At the end of the comment period, the Participating State submitting the proposed amendment shall submit the revised, proposed amendment, including any incorporated comments, to the Chair for consideration at a future meeting of the Participating States, unless the Participating State decides to withdraw the proposed amendment. In order for a proposed amendment to be eligible for consideration at a future meeting, the comment period must be completed and notification given to the Chair at least fifteen (15) days before the meeting at which the proposed amendment is to be considered. The Chair shall provide ten (10) days notice to the Participating States of any proposed amendment that has qualified for consideration at a meeting of the Participating States and shall also provide the text of the proposed amendment, any comments received, the deadline on or before which voting must be completed, and the effective date of the proposed amendment. A proposed amendment shall become adopted if, on or before the voting deadline, two-thirds of the Participating States have agreed in writing to accept the amendment. A Participating State's written acceptance of the

amendment shall be furnished to the Chair of the Governing Committee or to the Chair of the Association, whichever is applicable.

b. Should an unforeseen event or unexpected matter arise making it necessary to adopt an emergency amendment, the procedures specified in paragraph 25(a) above shall not apply to an emergency meeting called pursuant to paragraphs 41 and 46 of this Agreement. Written notice and the text of any proposed emergency amendment shall be sent by electronic means, mail, or facsimile to all Representatives at least one (1) business day prior to the emergency meeting. Any emergency amendment shall become adopted upon two-thirds vote of the Representatives present and voting.

PART VII

Withdrawal, Default and Dissolution

26. Withdrawal

a. Once effective, this Agreement shall continue in force and remain binding upon each and every Participating State, provided that a Participating State may withdraw from the Agreement (“Withdrawing State”) by providing 60 days’ written notice to the Clearinghouse, which shall provide advance written notice to all Participating States and facilitate public notice of the State’s withdrawal from the Agreement.

b. The Withdrawing State is responsible for all obligations, duties and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal.

27. Default

a. If any Participating State has at any time defaulted (“Defaulting State”) in the performance of any of its obligations or responsibilities under this Agreement, the Defaulting State shall be suspended from the effective date of default. The grounds for default include, but are not limited to, failure of a Participating State to perform its obligations or responsibilities as required by this Agreement.

b. Reinstatement following termination of any Participating State requires renewed execution of the Agreement.

28. Dissolution of Agreement

a. The Agreement dissolves effective upon the date of the withdrawal or default of the Participating State that reduces membership in the Agreement to one Participating State.

b. Upon the dissolution of this Agreement, the Agreement becomes null and void and shall be of no further force or effect.

PART VIII

Severability and Construction

29. The provisions of this Agreement shall be severable and if any phrase, clause, sentence or provision is deemed unenforceable, the remaining provisions of this Agreement shall be enforceable.
30. The provisions of this Agreement shall be liberally construed to effectuate its purposes.
31. Throughout this Agreement, the use of the singular shall include the plural and vice-versa. The headings and captions of parts, sections, subsections, paragraphs and sub-paragraphs used in this Agreement are for convenience only and shall be ignored in construing the substantive provisions of this Agreement.

PART IX

Binding Effect of Agreement and Other Laws

32. The terms of this Agreement, and the procedures to be established as amendments to this Agreement, are binding upon the Participating States, except as otherwise may be provided herein.
33. Each Participating State agrees to abide by the applicable laws, regulations, and statutes concerning confidentiality and nondisclosure of information to the extent required or allowed by law. This Agreement neither abrogates nor supersedes applicable Participating State laws respecting confidentiality, trade secrets and proprietary information.

PART X

Miscellaneous

34. This Agreement may be executed in any number of counterparts, each of which will constitute an original and all of which taken together will constitute one and the same instrument. Counterparts may be executed either by hard copy or electronically, or by facsimile, and the Participating States shall accept any signatures received by electronic mail or facsimile as original signatures of the Participating State. The Participating State will promptly forward to the other Participating States and the Clearinghouse a signed copy of this Agreement.
35. By entering into this Agreement, a Participating State is not deemed to surrender or abandon any of the powers, rights, privileges or authorities vested in it under its State constitution, statutes, acts, or otherwise, or to impair any of such powers, rights, privileges or authorities.
36. This Agreement, including all Annexes and the Exhibit attached, constitutes the entire agreement between the Participating States with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings between the Participating States with respect to that subject matter.

37. After execution of this Agreement, each Participating State will do, or cause to be done, all acts as the other Participating States may reasonably require from time to time for the purpose of giving effect to this Agreement and each Participating State will use reasonable efforts, and take all steps as may be reasonably within that Participating State's power, to implement to its full extent the provisions of this Agreement.

PART XI

Membership and Governing Committee

38. Participating States shall establish a Governing Committee ("Committee"), consisting of Participating Representatives. Each Participating State shall be entitled to two votes in all Committee matters. In those Participating States which have two agencies which exercise authority over Agreement matters, each agency shall each have one of the Participating State's two votes. Each Participating State shall designate a Representative to represent it in Agreement matters, provided, however, those Participating States in which two agencies exercise authority over the Agreement may appoint two Representatives. Each Participating State shall forward to the Committee chair the name of its Representative or Representatives. A representative may designate a person or persons to serve in place of the Representative as the Representative's designee with respect to Committee business, including attending Committee meetings, voting, and serving on one or more committees, provided that the Representative's designee shall not have an affiliation, through employment or independent contract, with any other Representative of the Committee.

39. The Initial Officers of the Governing Committee shall consist of a Chair, Vice Chair and Secretary. They shall be selected by a majority vote of the Participating States. The Initial Officers of the Governing Committee, and any subsequent officers, may be recalled upon a two-thirds (2/3) vote of the Representatives at any time once a Clearinghouse has been established. The Governing Committee may be dissolved upon two-thirds (2/3) vote of the Representatives once the Association has been established.

40. Duties of Governing Committee:

a. Chair. Unless the Chair directs otherwise, the Chair shall call and preside at all Agreement meetings, shall prepare agendas for the meetings and, at the Representatives' direction, act on behalf of the Representatives during the interim between meetings.

b. Vice Chair. The Vice Chair shall perform the Chair's duties in the Chair's absence or at the Chair's direction. In the event of a vacancy in the Chair's office, the Vice Chair shall serve as acting chair until the Representatives elect a new chair.

c. Secretary. The Secretary shall keep minutes of all meetings, act as the custodian of all documents and records, and cause notice of all meetings to be given in accordance with this Agreement.

41. Meetings. A meeting means a prearranged gathering of the majority of the Representatives of the Participating States. A quorum shall be met when there is a simple majority of all Participating States. Meetings shall be called by the Chair. Written notice of meetings shall be sent by electronic means, by mail or facsimile to all Representatives at least three (3) business days prior to the scheduled meeting.

Upon a vote of two-thirds (2/3) of the Representatives, the Chair may call an emergency meeting with less than three (3) business days notice if an unforeseen event or unexpected matter has arisen. Meetings may be held in person or via telephone or electronic communications.

42. Until the Nonadmitted Insurance Multi-State Association, Inc., as provided for in Part XII, paragraph 43 of this Agreement, is created, any notice requirement specified within this Agreement shall be given to the Chair of the Governing Committee.

PART XII

Association

43. The Initial Officers of the Governing Committee, subject to prior approval of the majority of Participating States, shall establish the Nonadmitted Insurance Multi-State Association, Inc. (hereinafter referred to as “the Association”), a non-profit corporation created pursuant to the laws of a Participating State. The Association shall be responsible for administering the Agreement. Entry into the Agreement by a Participating State constitutes an agreement to join the Association. The Association shall be an administrative and ministerial entity only and shall not promulgate rules of a legislative or regulatory nature.

a. Pursuant to the Agreement, each Participating State shall be a member of the Association. Each Participating State shall be entitled to two votes in all Association matters. In those Participating States which have two agencies which exercise authority over Agreement matters, each agency shall have one of the Participating State’s two votes. Each Participating State shall designate a Representative to represent it in Agreement matters, provided, however, those Participating States in which two agencies exercise authority over the Agreement may appoint two Representatives. Each Participating State shall forward to the Association chair the name of its Representative or Representatives. A Representative may designate a person or persons to serve in place of the Representative as the Representative’s designee with respect to Association business, including attending Association meetings, voting, and serving on one or more Association committees, provided that the Representative’s designee shall not have an affiliation, through employment or independent contract, with any other Representative of the Association.

b. Association Bylaws: The Bylaws of the Association shall outline and govern the establishment, selection, and responsibilities of the Association Board of Directors and Officers. The Bylaws shall also govern the membership and creation of any standing and special committees. Participating States agree to abide by the Bylaws as a condition for participation in the Agreement.

44. The Initial Officers of the Governing Committee shall become the Initial Officers of the Association. The Officers shall serve an initial term of one year beginning on the date the Association is officially incorporated with a state. The Initial Officers shall serve without compensation or remuneration. The Initial Officers of the Association, and any subsequent officers, may be recalled upon a two-thirds (2/3) vote of the Representatives at any time once a Clearinghouse has been established.

45. Duties of Initial Officers:

a. Chair. Unless the Chair directs otherwise, the Chair shall call and preside at all Association meetings, shall prepare agendas for the meetings and, at the Representatives' direction, act on behalf of the Representatives during the interim between meetings.

b. Vice Chair. The Vice Chair shall perform the Chair's duties in the Chair's absence or at the Chair's direction. In the event of a vacancy in the Chair's office, the Vice Chair shall serve as acting chair until the Representatives elect a new chair.

c. Secretary. The Secretary shall keep minutes of all meetings, act as the custodian of all documents and records, and cause notice of all meetings to be given in accordance with this Agreement or Bylaws adopted by the Association.

46. Meetings. A meeting means a prearranged gathering of the majority of the Representatives of the Participating States. A quorum shall be met when there is a simple majority of all Participating States. Meetings shall be called by the Chair. Written notice of meetings shall be sent by electronic means, by mail or facsimile to all Representatives at least three (3) business days prior to a regularly scheduled meeting. Upon a vote of two-thirds (2/3) of the Representatives, the Chair may call an emergency meeting with less than three (3) days notice if an unforeseen event or unexpected matter has arisen. Meetings may be held in person or via telephone or electronic communications.

47. Once the Association has been created, the Bylaws adopted by the Association shall govern the activities of the Association.

ANNEX A

Nonadmitted Insurance Premium Tax Allocation Schedule

This Annex to the Agreement sets forth the provisions governing the method of tax allocation for Multi-State Risks, as specified in Part III. If the allocation schedule does not identify a classification appropriate to the property or risk being insured, then the Surplus Lines Licensee, or an insured who independently procures insurance, consistently shall use an alternative method of equitable allocation across similar types of insurance policies and contracts, and shall maintain for at least five years, documented evidence of the bases and other criteria used by the Surplus Lines Licensee or insured who independently procures insurance in order to substantiate the method.

EXPOSURE ALLOCATION METHODOLOGY

MAJOR COVERAGE	COVERAGE TYPE	INCLUDING	*ALLOCATION BASIS BY STATE
PROPERTY	<p>ALL PROPERTY UNLESS MORE SPECIFICALLY DESCRIBED ELSEWHERE</p> <p>INCLUDES BOTH REAL AND PERSONAL PROPERTY, GLASS, CROP, ANIMALS, RESIDUAL VALUE</p>	<p>ALL RISK INCLUDING LEAKAGE OF SPRINKLERS, EXPLOSION, RIOT & CIVIL COMMOTION, EARTHQUAKE, BLANKET FORM, WATER DAMAGE, BUSINESS INTERRUPTION, TIME ELEMENT OR SIMILAR TIME VALUE COVERAGE, FIRE AND EXCESS OF LOSS</p>	<p>TIV (TIV= PD + BI) TOTAL INSURED VALUE = PHYSICAL DAMAGE + BUSINESS INTERRUPTION</p>
	AVIATION	PHYSICAL DAMAGE, ALL OTHERS	TIV
	BOILER & MACHINERY	DIRECT, CONSEQUENTIAL, ENGINE & MACHINERY, ALL OTHERS	TIV
	INLAND MARINE	FINE ARTS DEALERS, JEWELERS BLOCK, FURRIERS BLOCK, BUSINESS & PERSONAL FLOATER, BUILDERS RISK, ALL OTHER NON APPEARANCE & ABANDONMENT	TIV
	INLAND MARINE	MOTOR TRUCK CARGO	GARAGE LOCATION
	MOTOR VEHICLE PHYSICAL DAMAGE		TIV OF MOTOR VEHICLES PRINCIPALLY GARAGED OR PRINCIPALLY USED IN STATES

MAJOR COVERAGE	COVERAGE TYPE	INCLUDING	*ALLOCATION BASIS BY STATE
CASUALTY	GENERAL LIABILITY / UMBRELLA / EXCESS LIABILITY	MANUFACTURERS AND CONTRACTORS	PAYROLL IN STATE
		PREMISES OPERATIONS	SQUARE FOOTAGE OF PREMISES IN STATE
		OWNERS AND CONTRACTORS PROTECTIVE	COST OF CONTRACT IN STATE
		PRODUCTS	SALES IN STATE
		COMPLETED OPERATIONS	RECEIPTS IN STATE
		CHILD CARE	NUMBER OF CHILDREN IN STATE
		CONTRACTUAL	IF "STAND ALONE" POLICY, VALUE OF SALES IN STATE
		RECREATIONAL	AMOUNT OF GATE RECEIPTS IN STATE
		SPECIAL EVENTS	NUMBER OF EVENTS IN STATE
		PROFESSIONAL LIABILITY	NUMBER OF INSUREDS IN STATE
	ERRORS & OMISSIONS (E&O) / PROFESSIONAL LIABILITY		REVENUES (RECEIPTS) OR NUMBER OF PROFESSIONALS BY STATE
	MEDICAL MALPRACTICE	INCLUDES MEDICAL MALPRACTICE FOR INDIVIDUAL HEALTHCARE PROVIDERS OR FACILITIES, I.E. HOSPITALS, NURSING HOMES, PSYCHIATRIC CENTERS	REVENUES (RECEIPTS), NUMBER OF PROFESSIONALS OR BED COUNT BY STATE

MAJOR COVERAGE	COVERAGE TYPE	INCLUDING	*ALLOCATION BASIS BY STATE
CASUALTY (CONT'D)	EMPLOYMENT PRACTICES LIABILITY (EPLI)	EPLI FOR ALL INDUSTRIES	HEADCOUNT BY STATE
	MUNICIPALITIES, PUBLIC AUTHORITIES AND OTHER POLITICAL SUBDIVISIONS		NUMBER OF MUNICIPALITIES, ETC.
	ENVIRONMENTAL IMPAIRMENT		NUMBER OF UNITS OF EXPOSURE
	ASBESTOS ABATEMENT		PAYROLL
	EMPLOYEE/MEMBER BENEFIT PROGRAM		NUMBER OF EMPLOYEES/MEMBERS
	MOTOR VEHICLE	AUTOMOBILE LIABILITY, EXCESS AUTOMOBILE LIABILITY	NUMBER OF MOTOR VEHICLES PRINCIPALLY GARAGED OR PRINCIPALLY USED IN STATES
	RAILROAD PROTECTIVE		MILES OF TRACK IN STATE
MARINE	VESSELS		PRINCIPAL BERTHING LOCATION
	ALL OTHER PROPERTY		TIV
AVIATION	AIRCRAFT	NON-OWNED AIRCRAFT, AIRCRAFT LIABILITY	HANGAR LOCATION
FINANCIAL RISK	DIRECTORS AND OFFICERS LIABILITY	GENERAL PARTNERSHIP LIABILITY	REVENUE GENERATED IN STATE
	SEC LIABILITY	UNAUTHORIZED TRADING	REVENUE GENERATED IN STATE
	KIDNAP & RANSOM		EMPLOYEES
	EXCESS SIPC		REVENUE GENERATED IN STATE
	MORTGAGE IMPAIRMENT		TIV

MAJOR COVERAGE	COVERAGE TYPE	INCLUDING	*ALLOCATION BASIS BY STATE
FINANCIAL RISK (CONT'D)			
	PATENT INFRINGEMENT		REVENUE GENERATED IN STATE
	SECURITIES	MAIL	TIV
	MEDIA LIABILITY		TIV
	SERVICE CONTRACTS/WARRANTIES		REVENUE GENERATED IN STATE
	TAX OPINION GUARANTEE		REVENUE GENERATED IN STATE
	INTELLECTUAL PROPERTY		REVENUE GENERATED IN STATE
CRIME	CRIME	BLANKET CRIME, FIDELITY BOND, INDIVIDUAL BOND, EMPLOYEE DISHONESTY, FORGERY, THEFT, ROBBERY, BURGLARY, FRAUD	EMPLOYEE COUNT
ACCIDENT AND HEALTH	ACCIDENT AND HEALTH	DISEASE, ACCIDENTAL INJURY OR DEATH, MEDICAL SURGICAL EXPENSES AND INCOME PAYMENTS	LOCATION OF EMPLOYEES OR CORPORATE HEADQUARTERS
CREDIT	CREDIT		VALUE OF INSURED DEBT IN STATE
FIDELITY & SURETY	PERFORMANCE BONDS		TOTAL BOND VALUE OF CONTRACTS IN STATE
	OTHER SURETY BONDS		TOTAL BOND VALUE OF CONTRACTS IN STATE

* U.S. PREMIUM ONLY

ANNEX B
Allocation Formula

For the purposes of this Annex and subject to Parts III, IV, and VII, the Nonadmitted Insurance premium tax revenue for a calendar tax year or for a sub-period of a calendar tax year, as the case may be, is the amount determined by the formula:

Tax Allocation = (Net tax due to each State/net tax due to all States) x Amount collected

Home State Net Taxes = (Taxes collected for the Home State + Taxes due from other Participating States) – Taxes owed to other Participating States

Total Premium Tax to be Collected on Each Multi-State Policy = (Home State's tax rate x Portion of premium allocated to Home State) + (Home State's tax rate x Premium allocated to Non-Participating State if insurer is nonadmitted in that State) + (Participating States' tax rate x Premium allocated to each Participating State if insurer is nonadmitted in that state)

Exhibit 1

**Information Required to be Submitted
By the Broker or Insured via the Clearinghouse Web Portal**

A. Submission Contact

Name

Address

Phone Number

E-mail address

Independently procured policy? (Y/N)

B. Agency/Brokerage Firm Data

State

License Number

Name

Address

Phone Number

C. Agent/Sublicensee or Individual Licensee Data

State

License Number

Name

Office Address

Mailing Address

Phone Number

E-mail Address

D. Billing Contact

Name

Address

E-mail Address

Phone Number

E. Policy Data

Policy Number/Binder Number if Policy Number is not available

Effective Date

Expiration Date

Insured Name

Insured Address

Home State of Insured

Description of the Subject and Location of the Risk

F. Transaction Data

NAIC Insurer Code Number(s)

Insurer Name(s)

Total Policy Premium by Insurer(s)

Coverage Code

Tax Status

Transaction Type (New, Renewal or Endorsement)

Allocation among States:

Allocation Method

Premiums Allocated to Each State