

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF THE SUSPENSION OF LICENSING AUTHORITY OF:

JASON DONNELLY
NPN: 20019205

ORDER OF SUSPENSION

I, Ann Gillespie, Director of the Illinois Department of Insurance ("Director"), hereby suspend the license of Jason Donnelly ("Licensee"), National Producer Number 20019205, to take effect 30 days from the date of mailing of this Order, pursuant to Section 500-70 of the Illinois Insurance Code (215 ILCS 5/500-70), unless a written request for hearing is filed with the Director before that time. In support thereof, the Director alleges the following:

1. Filing of Semi-Annual Surplus Lines Privilege Tax Statement and Payment of Tax
 - A. At all relevant times Licensee was a licensed Illinois Surplus Line producer and required to file semiannual surplus line tax statement pursuant to 215 ILCS 5/445(3)(a) which states in pertinent parts, "A surplus line producer shall file with the Director on or before February 1 and August 1 of each year a report in the form prescribed by the Director on all surplus line insurance procured from unauthorized insurers and submitted to the Surplus Line Association of Illinois during the preceding 6 month period ending December 31 or June 30 respectively, and on the filing of such report shall pay to the Director for the use and benefit of the State a sum equal to the surplus line tax rate multiplied by the gross premiums less returned premiums upon all surplus line insurance submitted to the Surplus Line Association of Illinois during the preceding 6 months."
 - B. Licensee was 15 (fifteen) months late filing the semi-annual surplus lines tax statement due August 1, 2024.
 - C. Licensee was 9 (nine) months late filing the semi-annual surplus lines tax statement due February 1, 2025.

2. Filing of Annual Fire Marshal Tax Statement and Payment of Tax

- A. At all relevant times Licensee was a licensed Illinois Surplus Lines producer and required to file annual fire marshal tax statement pursuant to 215 ILCS 5/445(3)(b) which states, "Each surplus line producer shall file with the Director on or before February 1 of each year a report in the form prescribed by the Director on all fire insurance procured from unauthorized insurers and submitted to the Surplus Line Association of Illinois subject to tax under Section 12 of the Fire Investigation Act and shall pay to the Director the fire marshal tax required thereunder."
- B. Licensee was 9 (nine) months late filing the annual fire marshal tax statement due February 1, 2025.

3. Penalties Assessed Due to Late Filing of Tax Statements

- A. Late filing penalties are assessed in accordance with 215 ILCS 5/412(2)(b) which states, "When any industrial insured or surplus line producer fails to file any tax return or report required under Sections 121-2.08 and 445 of this Code or Section 12 of the Fire Investigation Act on the date prescribed, including any extensions, there shall be added:
 - (i) as a late fee, if the return or report is received at least one day but not more than 15 days after the prescribed due date, \$50 or 5% of the tax due, whichever is greater, the entire fee not to exceed \$1,000;
 - (ii) as a late fee, if the return or report is received at least 16 days but not more than 30 days after the prescribed due date, \$100 or 5% of the tax due, whichever is greater, the entire fee not to exceed \$2,000;
 - (iii) as a penalty, if the return or report is received more than 30 days after the prescribed due date, \$100 or 5% of the tax due, whichever is greater, for each month or part of a month of failure to file, the entire penalty not to exceed \$500 or 30% of the tax due, whichever is greater."
- B. A late filing penalty of \$500.00 was assessed for the Licensee's late filing of the semi-annual surplus lines tax statement due August 1, 2024, which was postmarked 15 (fifteen) months late.
- C. A late filing penalty of \$500.00 was assessed for the Licensee's late filing of the semi-annual surplus lines tax statement due February 1, 2025, which was postmarked 9 (nine) months late.
- D. A late filing penalty of \$500.00 was assessed for the Licensee's late filing of the annual fire marshal tax statement due February 1, 2025, which was postmarked 9 (nine) months late.

4. Invoices

- A. On October 22, 2025, the Illinois Department of Insurance ("Department") mailed Licensee Invoice H71677 for the late filing penalty pertaining to the semi-annual surplus lines tax statement due August 1, 2024.

- B. On October 29, 2025, the Illinois Department of Insurance (“Department”) mailed Licensee Invoice H72014 for the late filing penalty pertaining to the semi-annual surplus lines tax statement due February 1, 2025.
 - C. On October 22, 2025, the Department mailed Licensee Invoice H71729 for the late filing penalty pertaining to the annual fire marshal tax statement due February 1, 2025.
 - D. As of August 25, 2026, the 3 invoices remain unpaid, with a total outstanding balance of \$1,500.00. This is a violation of 215 ILCS 5/445(3)(a) and 215 ILCS 5/445(3)(b).
5. Suspension of Illinois Producer License
- A. Pursuant to 215 ILCS 5/500-70(a)(2): “The Director may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in accordance with this Section or take any combination of actions for ... violating any insurance laws, or violating any rule, subpoena, or order of the Director or of another state’s insurance commissioner.”
 - B. On April 28, 2026, the Department sent a pre-suspension notice to Licensee, reminding Licensee of the unpaid invoices, and indicating that the Department would proceed with license suspension if the amount due continued to go unpaid.

Part 2402 of Title 50 of the Illinois Administrative Code (50 Ill. Admin. Code 2402) governs hearings before the Department of Insurance. Section 408(5)(a) of the Illinois Insurance Code (215 ILCS 5/408(5)(a)) and Section 2402.270(d) of Title 50 of the Illinois Administrative Code (50 Ill. Admin. Code 2402.270(d)) provide that the costs of a hearing may be assessed against the parties.

This Order of Suspension shall take effect 30 days from the date of mailing but shall be stayed if, within the 30-day period, a written request for hearing is filed with the Director. If a hearing is not requested within 30 days from the date of mailing of this Order of Suspension, the suspension will remain in effect until the Licensee proves to the satisfaction of the Department that the Licensee paid the outstanding balance in full pursuant to 215 ILCS 5/445(3)(a) and 215 ILC 5/445(3)(b).

DEPARTMENT OF INSURANCE
State of Illinois



Ann Gillespie
Director

Date: August 31, 2026

