**Section 201.50 Reporting and Accounting of Indebtedness**

a) The Director shall be notified immediately in writing upon the execution of any such debenture as to the amount thereof and to whom payable.

b) All outstanding subordinated indebtedness and interest accrued thereon shall be reported separately in the Annual Statement on Page 3 and in any other financial statements of the company as special surplus funds.

c) The issuance and repayment of the debenture, as well as the payment of the interest thereon, shall be reflected as direct debits or credits to the Capital and Surplus Account of the company's financial statement.

d) The interest expense incurred on the debenture during the current period shall be reflected as a deduction from income in lieu thereof on the Statement of Income/Summary of Operations of the company's financial statements.

(Source: Amended at 23 Ill. Reg. 3782, effective March 10, 1999)