**Section 2505.55 Fee for Not Sufficient Funds (NSF) Check**

a) If any person, company or business entity issues a check or other draft to the Director as required by the Code, and that check or draft is not honored upon presentment because the drawer does not have an account with the drawee, or the drawer does not have sufficient funds in the account, or the drawer does not have sufficient credit with the drawee, the Director may:

1) Charge a fee of $25 (the Uniform Commercial Code prescribed NSF fee) and $5 (the minimum cost incurred by the Department of Insurance) for each returned check or draft, payable as one remittance of $30; or

2) Impose all costs and expenses, including, but not limited to, attorney's fees; witness fees; court reporting fees; document copying fees; certification fees; hearing officer fees; the costs for transcription; and any other court costs incurred by the Department in connection with the collection of the amount for which the check or other draft was written as authorized by Section 3-806 of the Uniform Commercial Code [810 ILCS 5/3-806].

3) In addition, the person, company or business entity may also be liable for additional penalties and interest, under Section 2505.110 of this Part, upon the amount of the check or other draft at a rate calculated the same as rates are calculated in 50 Ill. Adm. Code 2525.100.

b) The Department will send a written demand by certified mail, return receipt requested, to the last known address of the person, company or business entity having issued the dishonored check or other draft. Payment of both the required Code fee and the NSF check shall be made pursuant to Section 2505.100 of this Part.

c) Within 14 days following payment of both the Code fee and the NSF check fee, the Director may issue to the named person, company or business entity a license or other authority, or may take other regulatory action under the authority of the Code, as appropriate.

d) Any new applicant who fails to satisfy the demand requirements will be subject to the following:

1) License, registration or other authority will be revoked or cancelled; and

2) The person, company or business entity will be subject to additional penalties under subsection (a)(3); and

3) The Director shall publish a list identifying those who have issued NSF checks to the Department, who were given an opportunity to correct such error, but who failed to do so.

e) Any other person, company or business entity who fails to satisfy the demand requirements will be subject to the following:

1) License, registration or other authority will be revoked or cancelled. Should this cancellation affect the renewal of the producer license, an additional penalty in the amount of double the unpaid renewal fee prescribed by Section 408 of the Code will be imposed as authorized by Section 500-35(d) of the Code; and

2) The person, company or business entity will be subject to additional penalties under subsection (a)(3); and

3) The Director shall publish a list identifying those who were issued a demand pursuant to subsection (b), but who failed to provide remittance.

(Source: Added at 29 Ill. Reg. 9477, effective July 1, 2005)