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Return of Organization Exempt From Income Tax

OMB No 1545-0047

2011

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2011 calendar year, or tax year beginning

12/01/2011, and ending

11/30, 2012

 Check if applicable

Address change
Name change
Initial return
Terminated
Amended return
Application pending

C Name of organization

ILLINOIS FAIR PLAN ASSOCIATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

130 EAST RANDOLPH

D Employer identification number

36-2688813

City or town, state or country, and ZIP + 4

CHICAGO, IL 60601

F Name and address of principal officer

DOUGLAS JENSEN

SAME AS C ABOVE

I Tax-exempt status

501(c)(3)

501(c)(6)

< (insert no)

4947(a)(1) or

527

J Website: ► WWW.ILLINOISFAIRPLAN.COM

K Form of organization

Corporation

Trust

 Association

Other ►

L Year of formation

1968

M State of legal domicile

IL

Part I Summary

1 Briefly describe the organization's mission or most significant activities

TO PROVIDE BASIC AND AFFORDABLE PROPERTY INSURANCE TO APPLICANTS IN
THE STATE OF ILLINOIS WHO ARE UNABLE TO PURCHASE COVERAGE THROUGH THE
STANDARD INSURANCE MARKET FOR REASONS BEYOND THEIR CONTROL.2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)

3 10.

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 10.

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)

5 15.

6 Total number of volunteers (estimate if necessary)

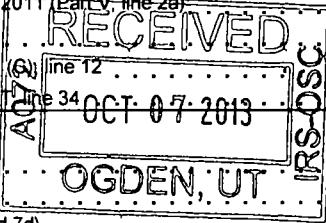
6 0

7a Total unrelated business revenue from Part VIII, column (G), line 12

7a 121,783.

b Net unrelated business taxable income from Form 990-T, line 34

7b 0



Activities & Governance

8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	5,942,089.	6,342,903.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,409.	1,153.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	119,632.	156,545.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,064,130.	6,500,601.

Revenue

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	15,000.	15,000.
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,207,725.	2,673,568.
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ►	0	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	7,134,568.	9,108,616.
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	9,357,293.	11,797,184.
19 Revenue less expenses Subtract line 18 from line 12	-3,293,163.	-5,296,583.

Expenses

20 Total assets (Part X, line 16)	4,434,188.	5,489,021.
21 Total liabilities (Part X, line 26)	8,736,350.	11,949,837.
22 Net assets or fund balances Subtract line 21 from line 20	-4,302,162.	-6,460,816.

Net Assets or
Fund Balances

Beginning of Current Year End of Year

4,434,188. 5,489,021.

8,736,350. 11,949,837.

-4,302,162. -6,460,816.

Date

10/4/13

Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign
Here

► Signature of officer

► Type or print name and title

President

Date

Paid Preparer Use Only	Print/Type preparer's name BERNADETTE DURKIN-ZITA	Preparer's signature Bernadette D Zita	Date 09/13/2013	Check <input type="checkbox"/> if self-employed	PTIN P00089845
	Firm's name ► ERNST & YOUNG U.S. LLP			Firm's EIN ►	34-6565596
	Firm's address ► 155 NORTH WACKER DRIVE CHICAGO, IL 60606			Phone no	312-879-2000

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2011)

JSA
1E10101 000

33139X 1143

V 11-6.5

PAGE 2

9-13

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

TO PROVIDE BASIC AND AFFORDABLE PROPERTY INSURANCE TO APPLICANTS IN
 THE STATE OF ILLINOIS WHO ARE UNABLE TO PURCHASE COVERAGE THROUGH THE
 STANDARD INSURANCE MARKET FOR REASONS BEYOND THEIR CONTROL.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code _____) (Expenses \$ _____) including grants of \$ _____) (Revenue \$ _____)

UNDER ILLINOIS STATE STATUE, THE ASSOCIATION PROVIDES FIRE,
 HOMEOWNER'S, EXTENDED COVERAGE, VANDALISM, AND MALICIOUS MISCHIEF
 INSURANCE FOR STATE RESIDENTS WHO HAVE BEEN UNABLE TO OBTAIN THESE
 TYPES OF INSURANCE COVERAGES IN THE VOLUNTARY INSURANCE MARKET.

4b (Code _____) (Expenses \$ _____) including grants of \$ _____) (Revenue \$ _____)

4c (Code _____) (Expenses \$ _____) including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O)

(Expenses \$ _____) including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ►

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	X
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a	X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II.	21	X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III.	22	X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J.	23	X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.	24a	X
24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
24d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I.	25a	
25b	b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I.	25b	
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II.	26	X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III.	27	X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
28a	a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.	28a	X
28b	b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.	28b	X
28c	c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV.	28c	X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M.	29	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M.	30	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I.	31	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II.	32	X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I.	33	X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.	34	X
35a	a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
35b	b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2.	35b	X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2.	36	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI.	37	X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	38	X

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V.

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	270
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	15
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).</i>	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	X
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).	7a	
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.	9a	
a	Did the organization make any taxable distributions under section 4966?	9b	
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter	10a	
a	Initiation fees and capital contributions included on Part VIII, line 12	10b	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter	11a	
a	Gross income from members or shareholders	11b	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	13a	
a	Is the organization licensed to issue qualified health plans in more than one state?	13b	
	<i>Note. See the instructions for additional information the organization must report on Schedule O</i>	13c	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions

Check if Schedule O contains a response to any question in this Part VI.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a	10
1b	Enter the number of voting members included in line 1a, above, who are independent	1b	10
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Did the organization have members or stockholders?	6	X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following	8a	X
a	The governing body?	8b	X
b	Each committee with authority to act on behalf of the governing body?	9	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990	12a	X
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12b	X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12c	X
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	13	X
13	Did the organization have a written whistleblower policy?	14	X
14	Did the organization have a written document retention and destruction policy?	15a	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?	15b	X
a	The organization's CEO, Executive Director, or top management official	16a	X
b	Other officers or key employees of the organization	16b	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ►
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply

Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► JOSEPH A. HATHAWAY 130 EAST RANDOLPH ST. CHICAGO, IL 60601 312-861-0385

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee"
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Employee Highest compensated			
(1) SUSAN SIBBERNSEN GOVERNING COMMITTEE MEMBER	1.00	X		X			0	0	0
(2) FREDERICK M. STRAUSS GOVERNING COMMITTEE MEMBER	1.00	X		X			0	0	0
(3) CHARLES M. HILL, SR. GOVERNING COMMITTEE MEMBER	1.00	X		X			2,800.	0	0
(4) ROGER KELLER GOVERNING COMMITTEE MEMBER	1.00	X					0	0	0
(5) DAVID J. QUEIOR GOVERNING COMMITTEE MEMBER	1.00	X					3,200.	0	0
(6) REBECCA KORACH GOVERNING COMMITTEE MEMBER	1.00	X					1,200.	0	0
(7) EMIL R. JOHNSON GOVERNING COMMITTEE MEMBER	1.00	X					2,600.	0	0
(8) RON DELONG GOVERNING COMMITTEE MEMBER	1.00	X					0	0	0
(9) BARRY S. ZALCMAN GOVERNING COMMITTEE MEMBER	1.00	X					0	0	0
(10) STEVEN TIPPINS GOVERNING COMMITTEE MEMBER	1.00	X					2,400.	0	0
(11) DOUGLAS JENSEN PRESIDENT AND OFFICER	37.00			X			192,545.	0	45,841.
(12) NARDA AGUILERA MIS MANAGER	37.00				X		133,976.	0	39,391.
(13) JOSEPH HATHAWAY FINANCE AND OPERATIONS MANAGER	37.00				X		120,624.	0	41,638.
(14) GORDON BALSANO CLAIMS MANAGER	37.00				X		119,727.	0	36,828.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

1b Sub-total ► 579,072. 0 163,698.

c Total from continuation sheets to Part VII, Section A ► 0 0 0

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of

reportable compensation from the organization ► 8

3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual 3 X

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual.

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person.

Section B. Independent Contractors

Section B: Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

	Yes	No
3	X	
4	X	
5		X

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts					
1a Federated campaigns	1a				
1b Membership dues	1b				
1c Fundraising events	1c				
1d Related organizations	1d				
1e Government grants (contributions)	1e				
1f All other contributions, gifts, grants, and similar amounts not included above	1f				
g Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f		0			
Program Service Revenue	Business Code				
2a INSURANCE PREMIUMS	524126	6,342,903	6,342,903		
b					
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f		6,342,903			
Other Revenue					
3 Investment income (including dividends, interest, and other similar amounts)		1,153			1,153
4 Income from investment of tax-exempt bond proceeds		0			
5 Royalties		0			
6a Gross rents	(i) Real	(ii) Personal			
b Less rental expenses					
c Rental income or (loss)					
d Net rental income or (loss)		0			
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less cost or other basis and sales expenses					
c Gain or (loss)					
d Net gain or (loss)		0			
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c)					
See Part IV, line 18	a				
b Less direct expenses	b				
c Net income or (loss) from fundraising events		0			
9a Gross income from gaming activities					
See Part IV, line 19	a				
b Less direct expenses	b				
c Net income or (loss) from gaming activities		0			
10a Gross sales of inventory, less returns and allowances	a				
b Less cost of goods sold	b				
c Net income or (loss) from sales of inventory.		0			
Miscellaneous Revenue	Business Code				
11a SERVICE FEE INCOME	524126	121,783		121,783	
b INSTALLMENT PLAN CHARGES	524126	31,481	31,481		
c CEDING COMMISSIONS	524126	3,265	3,265		
d All other revenue	524126	16	16		
e Total. Add lines 11a-11d		156,545		6,377,665	121,783
12 Total revenue. See instructions		6,500,601			1,153

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX.

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	15,000.			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	204,219.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	1,078,266.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	435,536.			
9 Other employee benefits	863,057.			
10 Payroll taxes	92,490.			
11 Fees for services (non-employees)				
a Management	0			
b Legal	5,259.			
c Accounting	41,900.			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other	19,223.			
12 Advertising and promotion	1,710.			
13 Office expenses	155,259.			
14 Information technology	13,972.			
15 Royalties	0			
16 Occupancy	321,495.			
17 Travel	31,391.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	47,307.			
23 Insurance	66,194.			
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a LOSS AND LOSS ADJUSTMENT EXP.	7,562,240.			
b COMMISSIONS	632,294.			
c INSPECTIONS AND REPORTS	108,094.			
d TAXES, LICENSES & FEES	37,066.			
e All other expenses	65,212.			
25 Total functional expenses Add lines 1 through 24e	11,797,184.			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
	1 Cash - non-interest-bearing	259,055.	1	405,855.
	2 Savings and temporary cash investments	2,075,000.	2	3,300,000.
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	995,677.	4	1,042,009.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	0	9	0
Assets	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a		
	b Less accumulated depreciation	10b	10c	0
	11 Investments - publicly traded securities	700,000.	11	700,000.
	12 Investments - other securities See Part IV, line 11	0	12	0
	13 Investments - program-related See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets See Part IV, line 11	404,456.	15	41,157.
	16 Total assets. Add lines 1 through 15 (must equal line 34)	4,434,188.	16	5,489,021.
Liabilities	17 Accounts payable and accrued expenses	349,741.	17	379,832.
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	8,386,609.	25	11,570,005.
	26 Total liabilities. Add lines 17 through 25	8,736,350.	26	11,949,837.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0	30	0
	31 Paid-in or capital surplus, or land, building, or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	-4,302,162.	32	-6,460,816.
	33 Total net assets or fund balances	-4,302,162.	33	-6,460,816.
	34 Total liabilities and net assets/fund balances	4,434,188.	34	5,489,021.

Form 990 (2011)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,500,601.
2	Total expenses (must equal Part IX, column (A), line 25)	2	11,797,184.
3	Revenue less expenses Subtract line 2 from line 1	3	-5,296,583.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-4,302,162.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,137,929.
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-6,460,816.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII.

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other <u>STATUTORY</u> If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

2011Open to Public
Inspection

Name of the organization

ILLINOIS FAIR PLAN ASSOCIATION

Employer identification number

36-2688813

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year.		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year		
		Held at the End of the Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register.	2d	
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► -----		
4 Number of states where property subject to conservation easement is located ► -----		
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► -----		
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ -----		
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements		

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ -----

(ii) Assets included in Form 990, Part X ► \$ -----

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ -----

b Assets included in Form 990, Part X ► \$ -----

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2011

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a Public exhibition
 b Scholarly research
 c Preservation for future generations

d Loan or exchange programs
 e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Temporarily restricted endowment ► %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations
 (ii) related organizations

Yes	No
3a(i)	
3a(ii)	
3b	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)). ►

Part VII Investments - Other Securities. See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		

Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ►

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ►

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ►

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) LOSSES AND LOSS ADJUSTMENT EXP	1,792,930.
(3) UNEARNED PREMIUMS	3,424,601.
(4) MEMBER ASSESSMENT PAYABLE	1,111,449.
(5) ACCRUED PENSION AND PBO	4,793,056.
(6) COMMISSIONS PAYABLE	29,941.
(7) ADVANCE PREMIUMS	150,635.
(8) OTHER LIABILITIES	267,393.
(9)	
(10)	
(11)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ► 11,570,005.

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

Schedule D (Form 990) 2011

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8
9	Total adjustments (net) Add lines 4 through 8	9
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	

Part XIV | Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIV Supplemental Information (continued)

Schedule D (Form 990) 2011

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PAGE 18

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
ILLINOIS FAIR PLAN ASSOCIATION

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
► Attach to Form 990.

OMB No 1545-0047

2011

**Open to Public
Inspection**

Employer identification number

36-2688813

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.
►

Part II can be duplicated if additional space is needed

1	2	3	4	5	6	7	8	9	10	11	12	13
(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance					
(1) NEIGHBORHOOD HOUSING SERVICES OF CHICAGO 1279 N MILWAUKEE AVE., CHICAGO, IL 62701	23-7443009	501(C)(3)		10,000								
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												
(8) -----												
(9) -----												
(10) -----												
(11) -----												
(12) -----												

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

3 Enter total number of other organizations listed in the line 1 table

Schedule I (Form 990) (2011)

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS

SCHEDULE I, PART I, LINE 2

ALL AMOUNTS GRANTED BY THE ILLINOIS FAIR PLAN ARE APPROVED BY THE FINANCE AND AUDIT COMMITTEE AND GOVERNING COMMITTEE AS PART OF THE BUDGET PROCESS AND THE ASSOCIATION CONFIRMS THE ORGANIZATIONS ARE MEETING THEIR STATED PURPOSE THROUGH DIRECT PARTICIPATION IN ORGANIZATION MEETINGS/ACTIVITIES OR THROUGH ACTIVITY REPORTS ISSUED BY THE ORGANIZATIONS. THE EMPLOYER IDENTIFICATION NUMBER IS OBTAINED FROM EACH ORGANIZATION A GRANT IS ISSUED TO.

**SCHEDULE J
(Form 990)**Department of the Treasury
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees► Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011Open to Public
Inspection

Name of the organization

ILLINOIS FAIR PLAN ASSOCIATION

Employer identification number

36-2688813

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items		
<input type="checkbox"/> First-class or charter travel		Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions		Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments		Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account		Personal services (e.g., maid, chauffeur, chef)
1b		
2		
3		
4		
4a		X
4b		X
4c		X
5		
5a		
5b		
6		
6a		
6b		
7		
8		
9		

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

- 5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of
 - a The organization?
 - b Any related organization?
 If "Yes" to line 5a or 5b, describe in Part III
- 6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of
 - a The organization?
 - b Any related organization?
 If "Yes" to line 6a or 6b, describe in Part III
- 7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III
- 8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III
- 9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 DOUGLAS JENSEN	(i) 169,447. (ii) 0	(i) 15,125. (ii) 0	(i) 7,973. (ii) 0	(i) 26,682. (ii) 0	(i) 19,159. (ii) 0	(i) 238,386. (ii) 0	
2 NARDA AGUILERA	(i) 127,786. (ii) 0	(i) 5,525. (ii) 0	(i) 665. (ii) 0	(i) 20,324. (ii) 0	(i) 19,067. (ii) 0	(i) 173,367. (ii) 0	
3 JOSEPH HATHAWAY	(i) 114,971. (ii) 0	(i) 5,525. (ii) 0	(i) 128. (ii) 0	(i) 18,391. (ii) 0	(i) 23,247. (ii) 0	(i) 162,262. (ii) 0	
4 GORDON BALSANO	(i) 113,663. (ii) 0	(i) 5,525. (ii) 0	(i) 539. (ii) 0	(i) 17,954. (ii) 0	(i) 18,874. (ii) 0	(i) 156,555. (ii) 0	
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

COMPENSATION OF CEO/EXECUTIVE DIRECTOR

SCHEDULE J, PART I, LINE 3

THE PRESIDENT'S COMPENSATION IS DETERMINED BY THE EXECUTIVE COMMITTEE
ANNUALLY.

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

ILLINOIS FAIR PLAN ASSOCIATION

Employer identification number

36-2688813

DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, QUESTION 6

THE ASSOCIATION IS AN UNINCORPORATED ASSOCIATION OF THOSE INSURANCE COMPANIES WRITING CERTAIN TYPES OF PROPERTY CASUALTY INSURANCE COVERAGE IN ILLINOIS, COLLECTIVELY REFERRED TO AS "MEMBER COMPANIES" OF THE ASSOCIATION. EACH MEMBER COMPANY SHARES IN THE ASSOCIATION'S RESULTS OF OPERATIONS, RECEIVING CASH EXCESSES AND PAYING FOR CASH SHORTFALLS WITH TIMING OF PAYMENTS OR ASSESSMENTS DETERMINED BY THE FINANCE AND AUDIT COMMITTEE. THE EXTENT OF A MEMBER COMPANY'S EQUITY PARTICIPATION IN THE RESULTS OF OPERATIONS IS DETERMINED ANNUALLY, AND IS A FUNCTION OF THE MEMBER COMPANY'S VOTING PARTICIPATION PERCENTAGE ADJUSTED FOR CERTAIN CREDITS. A MEMBER COMPANY'S VOTING PARTICIPATION PERCENTAGE FOR A GIVEN YEAR REPRESENTS THE PROPORTION THAT ITS PREMIUMS WRITTEN IN ILLINOIS BEAR TO THE TOTAL OF ALL MEMBERS' PREMIUMS WRITTEN IN ILLINOIS; PREMIUMS WRITTEN FOR THIS CALCULATION ARE FOR THOSE TYPES OF INSURANCE COVERAGE OFFERED BY THE ASSOCIATION.

ELECTING MEMBERS OF THE GOVERNING BODY

FORM 990, PART VI, QUESTION 7A

AS STATED IN THE ARTICLES OF ASSOCIATION, THE ASSOCIATION IS ADMINISTERED BY AN ELEVEN MEMBER GOVERNING COMMITTEE COMPRISED OF SIX INSURANCE INDUSTRY REPRESENTATIVES; FOUR PERSONS WHO ARE NOT EMPLOYEES OF OR OTHERWISE AFFILIATED WITH THE INSURANCE INDUSTRY; AND, ONE PERSON WHO IS AN ILLINOIS LICENSED INSURANCE PRODUCER. THE TERMS OF EACH MEMBER OF THE

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GOVERNING COMMITTEE BEGIN ON THE DATE OF THE ASSOCIATION'S ANNUAL MEETING. THE MEMBERS OF THE GOVERNING COMMITTEE SERVE FOR ONE YEAR OR UNTIL THEIR SUCCESSORS ARE ELECTED, APPOINTED, OR OTHERWISE DESIGNATED.

ONE MEMBER OF THE GOVERNING COMMITTEE SHALL BE DESIGNATED OR ELECTED BY EACH OF THE FOLLOWING: THE AMERICAN INSURANCE ASSOCIATION; THE PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA; THE GROUP COMPRISING ALL OTHER STOCK INSURERS NOT MEMBERS OF THE ABOVE; AND, THE GROUP COMPRISING ALL OTHER NON-STOCK INSURERS NOT MEMBERS OF THE ABOVE. TWO ADDITIONAL DIRECTORS REPRESENTING THE INSURANCE INDUSTRY SHALL BE ELECTED, BY MAJORITY VOTE OF THE FOUR INDUSTRY MEMBERS OF THE GOVERNING COMMITTEE. THE FOUR NON-INSURANCE INDUSTRY AFFILIATED PERSONS AND THE ILLINOIS LICENSED PRODUCER SHALL BE APPOINTED TO THE GOVERNING COMMITTEE BY THE ILLINOIS DIRECTOR OF INSURANCE.

FINALLY, THE GOVERNING COMMITTEE ANNUALLY ELECTS A CHAIRMAN AND VICE CHAIRMAN, AND MAY ELECT ADDITIONAL OFFICERS, INCLUDING A SECRETARY. ALL SUCH OFFICERS ARE ELECTED BY MAJORITY VOTE OF THOSE MEMBERS PRESENT AT THE MEETING AND THEY WILL BE MEMBERS OF THE GOVERNING COMMITTEE. SIX MEMBERS OF THE GOVERNING COMMITTEE SHALL CONSTITUTE A QUORUM. EACH MEMBER PRESENT AT THE MEETING SHALL BE ENTITLED TO ONE VOTE.

DECISIONS OF GOVERNING BODY SUBJECT TO APPROVAL
FORM 990, PART VI, QUESTION 7B
AS STATED IN THE ARTICLES OF ASSOCIATION, THE GOVERNING COMMITTEE HAS
RESPONSIBILITY FOR THE ADMINISTRATION OF THE ASSOCIATION; IT MAY ADOPT

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AND PROMULGATE SUCH RULES AND ESTABLISH SUCH COMMITTEES AND SUBCOMMITTEES AS MAY BE NECESSARY TO CARRY OUT THE PURPOSES OF THE ASSOCIATION. THE PRESIDENT AND OTHER MANAGEMENT EMPLOYEES DESIGNATED BY THE GOVERNING COMMITTEE PERFORM THE DUTIES PROVIDED IN THE ARTICLES AND SUCH OTHER DUTIES AS THE GOVERNING COMMITTEE MAY DESIGNATE.

THERE WILL BE AN ANNUAL MEETING OF THE MEMBERS ON A DATE AND AT A LOCATION FIXED BY THE GOVERNING COMMITTEE. SPECIAL MEETINGS OF THE MEMBERS MAY ALSO BE CALLED BY THE GOVERNING COMMITTEE AND WILL BE CALLED BY THE GOVERNING COMMITTEE UPON WRITTEN REQUEST TO THE GOVERNING COMMITTEE BY ANY TEN MEMBERS, NONE OF WHICH MAY BE IN A GROUP UNDER THE SAME MANAGEMENT OR OWNERSHIP AS ANY OTHER. THE GOVERNING COMMITTEE WILL FIX THE TIME AND PLACE OF ANY SPECIAL MEETING.

AT ANY REGULAR OR SPECIAL MEETING AT WHICH THE VOTE OF THE MEMBERS IS OR MAY BE REQUIRED ON ANY PROPOSAL, INCLUDING AMENDMENT OF THE ARTICLES, OR WITH RESPECT TO ANY VOTE OF THE MEMBERS WHICH MAY BE TAKEN BY MAIL ON ANY PROPOSAL, VOTES WILL BE WEIGHTED ACCORDING TO THE PERCENTAGE THAT EACH MEMBER'S PREMIUMS WRITTEN BEARS TO THE TOTAL OF ALL PREMIUMS WRITTEN BY ALL MEMBERS. A PROPOSAL WILL BECOME EFFECTIVE WHEN APPROVED BY AT LEAST TWO-THIRDS OF THE VOTES, COMPUTED ON THE WEIGHTED BASIS. THE ARTICLES OF ASSOCIATION MAY BE AMENDED BY THE MEMBERS, SUBJECT TO THE APPROVAL OF THE ILLINOIS DIRECTOR OF INSURANCE.

ANY PERSON OR MEMBER OF THE ASSOCIATION AGGRIEVED BY ANY RULING,

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DECISION, ACTION, OR REFUSAL TO ACT ON THE PART OF THE ASSOCIATION MAY APPEAL TO THE GOVERNING COMMITTEE; HOWEVER, THIS RIGHT OF APPEAL DOES NOT APPLY TO DISPUTES CONCERNING COVERAGES, AMOUNTS OF LOSS, OR RELATED DEFENSES. FINALLY, THE GOVERNING COMMITTEE'S DECISION MAY BE APPEALED TO THE ILLINOIS DIRECTOR OF INSURANCE WITHIN 35 DAYS AFTER THE DATE OF THE GOVERNING COMMITTEE'S DECISION.

FORM 990 REVIEW PROCESS**FORM 990, PART VI, QUESTION 11B**

FORM 990 IS COMPLETED BY AN INDEPENDENT CPA AND IS THEN REVIEWED BY THE FINANCE AND OPERATIONS MANAGER, THE PRESIDENT, AND THE EXECUTIVE COMMITTEE BEFORE IT IS FILED.

CONFLICT OF INTEREST POLICY, MONITORING & ENFORCEMENT**FORM 990, PART VI, QUESTION 12C**

CONFLICT OF INTEREST STATEMENT IS COMPLETED ANNUALLY BY ALL COMMITTEE MEMBERS AND EMPLOYEES OF THE ASSOCIATION WITH ANY POTENTIAL CONFLICTS REVIEWED BY THE PRESIDENT, AND THE EXECUTIVE AND COMPENSATION COMMITTEES.

COMPENSATION OF CEO, EXEC. DIR., TOP MANAGEMENT OFFICIAL, OR KEY OFFICER**FORM 990, PART VI, QUESTION 15A AND 15B**

COMPENSATION IS BASED ON A SALARY GRID WITH SPECIFIC SALARY RANGES FOR ALL EMPLOYEES AT THE ASSOCIATION. SALARY RANGES IN PLACE FOR ALL POSITIONS WITHIN THE ASSOCIATION WERE DEVELOPED BASED ON SIMILAR POSITIONS WITHIN THE INDUSTRY AND ARE UPDATED ANNUALLY WITH COST OF

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LIVING ADJUSTMENTS. A SALARY SURVEY WAS COMPLETED WITHIN THE PAST THREE YEARS TO CONFIRM ACCURACY. ANNUAL ADJUSTMENTS IN COMPENSATION ARE PROPOSED BY APPROPRIATE SUPERVISOR, BASED ON INDUSTRY AVERAGES AND PERFORMANCE, AND APPROVED BY THE PRESIDENT AS WELL AS THE EXECUTIVE AND COMPENSATION COMMITTEE. THE PRESIDENT'S ANNUAL SALARY IS DETERMINED BY THE EXECUTIVE AND COMPENSATION COMMITTEES.

DOCUMENTS TO BE MADE PUBLIC

FORM 990, PART VI, QUESTION 19

ASSOCIATION FINANCIAL STATEMENTS ARE MADE AVAILABLE TO MEMBERS THROUGH A PASSWORD PROTECTED WEBSITE WITH GOVERNING DOCUMENTS AND CONFLICT POLICY AVAILABLE UPON REQUEST; AND, BY STATUTE THE FINANCIALS ARE PUBLISHED IN TWO MAJOR ILLINOIS NEWSPAPERS ANNUALLY.

OTHER CHANGES IN NET ASSETS OR FUND BALANCES

PART XI, LINE 5

OTHER CHANGES IN NET ASSETS OR FUND BALANCES CAN BE EXPLAINED BY THE FOLLOWING:

ADDITIONAL PENSION LIABILITY: -633,866

CHANGE IN NON-ADMITTED ASSETS: -287,756

NET ASSESSMENTS TO MEMBER COMPANIES: 4,059,551

TOTAL OTHER CHANGES IN NET ASSETS OR FUND BALANCES: 3,137,929

METHOD OF ACCOUNTING

PART XII, LINE 1

AS A REGULATED INSURANCE COMPANY, THE ASSOCIATION USES STATUTORY

Name of the organization

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ACCOUNTING PRACTICES IN CONFORMITY WITH ACCOUNTING PRACTICES PRESCRIBED
OR PERMITTED BY THE DIVISION OF INSURANCE OF THE STATE OF ILLINOIS. THE
STATE OF ILLINOIS REQUIRES THAT INSURANCE COMPANIES DOMICILED IN THE
STATE OF ILLINOIS PREPARE THEIR STATUTORY BASIS FINANCIAL STATEMENTS IN
ACCORDANCE WITH THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
("NAIC") ACCOUNTING PRACTICES AND PROCEDURES MANUAL.