

RETALIATION GUIDE

December 2022

Enclosed is the 2022 update to the Retaliation Guide, incorporating the changes that have occurred in state laws during the past year, as reported by each state. All the pages in your book should be replaced. An arrow in the left margin indicates a change.

In February 2023, the NAIC plans to release an updated second volume of the Retaliation Guide to help you identify the state tax forms used for collecting premium and retaliatory taxes.

If you have questions about the content, you should request clarification from the state contacts listed. If you have questions about the printing or distribution of copies, please contact an NAIC Customer Service Representative at (816) 783-8300 or prodserv@naic.org.



Olivea A. Myers
Editor
Legal Counsel



Patricia E. Cook
Assistant Editor
Senior Paralegal

The Retaliation Guide is intended to provide helpful information about retaliatory and other taxes and assessments. The Guide is not intended to be cited as binding legal authority and does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, including any additional adoptions, the statutes and regulations cited should be consulted.

Washington, DC 444 North Capitol Street NW, Suite 700, Washington, DC 20001-1509 p | 202 471 3990 f | 816 460 7493

Kansas City 1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197 p | 816 842 3600 f | 816 783 8175

New York One New York Plaza, Suite 4210, New York, NY 10004 p | 212 398 9000 f | 212 382 4207

Retaliation: A Guide to State Retaliatory Taxes, Fees, Deposits and Other Requirements

Volume I

December 2022

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NAIC Executive Office
444 North Capitol Street, NW
Suite 700
Washington, DC 20001
202.471.3990

NAIC Central Office
1100 Walnut Street
Suite 1500
Kansas City, MO 64106
816.842.3600

NAIC Capital Markets
& Investment Analysis Office
One New York Plaza, Suite 4210
New York, NY 10004
212.398.9000

ALABAMA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Ala. Code § 27-4A-2

All amounts received as consideration for insurance contracts less returned premiums, reinsurance premiums from companies subject to premium tax, and dividends paid. Annuity considerations are not included.

Tax Rate:

§ 27-4A-3

Life insurers 2.3%
Health and accident and health 1.6%

Individual life policies of \$5,001 up to \$25,000 will be taxed at 1%.
Individual life policies of \$5,000 or less, will be taxed at 0.50%.
Hospital, medical, surgical, or other health benefits provided to groups with less than 50 insured participants will be taxed at 0.50%.
Hospital, medical, surgical, or other health benefits supplementary to Medicare and Medicaid or governmental employee plans are exempt from premium tax.

Premium tax on insurance other than life, health and accident and health at 3.6%.
All property and multi-peril insurance written in fire protection classes 9 & 10 at 1%.
Mobile homes, low value dwelling policies at 1%.
Medical liability insurance at 1.6%.

§ 27-31A-4

Risk retention groups 3.6%, same as foreign admitted insurer

Other Taxes and Assessments:

§§ 40-14a-21 to 40-14a-29 Privilege Tax

The tax rate is determined by the company's total income allocated to Alabama. The amount of tax is determined by multiplying the taxpayer's net worth in Alabama by that rate.

Other Taxes and Assessments (cont.)

§§ 11-51-120 to 11-51-122 Municipal Corporations Tax

Municipal corporations may impose a privilege tax of up to 4% on each \$100 of gross premiums, less return premiums, on fire and marine policies on property in the municipality issued during the previous year; actual amount based on size of municipality. There is no credit for the cost of reinsurance in a company not authorized in Alabama. The tax on other than fire and marine insurers varies by size of city or town. The tax is due Mar. 1.

§ 25-5-316 Workers' Compensation Administration Trust Fund

The state has established a trust fund for administrative expenses. Insurers shall be assessed \$250, plus a proportional amount based on total compensation and medical payments made, to provide a total assessment of \$5,000,000 per year. Insurers and self-insured plans must file a report by Mar. 1 showing claims for prior year.

§§ 27-42-8; 27-42-8.1 Property and Casualty Guaranty Association

The property and casualty guaranty association may assess an amount up to 1% of net direct premiums for the year preceding the insolvency on the kinds of insurance in the account with the deficiency. Effective May 19, 2008, an assessment of up to 2% of net direct premiums for the year preceding the insolvency for the workers' compensation account only.

§ 27-44-9 Life and Health Guaranty Association

The life and health guaranty association may assess an amount up to 1% of net direct premiums on the kinds of insurance in the account with the deficiency plus no more than \$300 per year as a non-pro rata assessment for administrative expenses.

→ § 27-31B-16 Captive Insurers

Direct written premiums:

- 0.4% on first \$20 million of direct premiums;
- 0.3% on next \$20 million;
- 0.2% on next \$20 million;
- 0.075% on each dollar thereafter.

Reinsurance:

- 0.225% on first \$20 million of assumed reinsurance premiums;
- 0.150% on next \$20 million;
- 0.050% on next \$20 million;
- 0.025% on each dollar thereafter.

No reinsurance tax applies to premiums for risks or portions of risks which are subject to taxation on a direct basis.

(cont.)

Other Taxes and Assessments (cont.)

§ 27-31B-16 Captive Insurers (cont.)

Captive insurers pay annual minimum tax of \$5,000 if the aggregate taxes to be paid by a captive insurance company calculated under subsections (a) and (b) of §27-31B-16 amount to less than \$5,000 in any year.

Effective July 1, 2016, any business privilege taxes paid, or any examination expenses paid may be deducted in the calendar year in which they are paid. Aggregate taxes paid by a captive is capped as \$100,000 in any one year.

If a captive insurance company has been licensed for less than a full calendar year and has written premiums the tax for which is less than the minimum set forth in this section, the tax due shall be prorated as follows:

- (1) If licensed on or before Mar. 31, 100%.
- (2) If licensed April 1 to June 30, 75%.
- (3) If licensed July 1 to Sept. 30, 50%.
- (4) If licensed Oct. 1 to Dec. 31, 25%.

If a captive insurance company surrenders its license and the calculated tax on premiums written during the calendar year is less than the minimum set forth in this section, the tax due shall be prorated as follows:

- (1) If surrendered on or before Mar. 31, 25%.
- (2) If surrendered April 1 to June 30, 50%.
- (3) If surrendered July 1 to Sept. 30, 75%.
- (4) If surrendered Oct. 1 to Dec. 31, 100%.

The \$5,000 minimum is not applicable if the captive has not written any premiums during the calendar year.

Exclusions and Deductions:

§ 27-34-42 Fraternal

Fraternal benefit societies are exempt from the premium tax.

§ 27-4-8 Life Insurers to Nonprofit Organizations

Life insurers organized and operated without profit for the purpose of providing life insurance and annuities to nonprofit education and scientific institutions and their employees are exempt from premium tax. They shall pay an annual license fee of \$5,000.

Credits:

§ 27-4A-3

The following may be deducted in full:

Ad valorem taxes paid by the insurer upon any real estate and the improvements therein in Alabama owned and at least 50% occupied by the insurer all year or occupied in whole or part as its principal office all year.

All licenses and fees paid to any county in Alabama for the privilege of engaging in the business of insurance.

Ad valorem taxes paid directly or in the form of rent to a third-party landlord on the insurer's offices in Alabama, apportioned by the square footage occupied by the insurer.

60% of the privilege tax is deductible.

All expenses of examination of the insurer by the commissioner.

All credits for assessments as provided under §§ 27-42-16 and 27-44-13, or assessments for any insurance guaranty fund or pool now or hereafter created by statute paid during the calendar year.

§ 40-14B-16 Certified Capital Company (CAPCO)

Insurance companies that have invested in certified capital companies and have been allocated a premium tax credit by the Alabama Development Office may take up to 12.5% of the vested premium tax credit each tax year beginning on or after Jan. 1, 2006. Any unused credits may be carried forward indefinitely until the premium tax credits are used.

§ 40-14B-22 Certified Capital Company (CAPCO II)

Insurance companies that have invested in CAPCO II and have been allocated a premium tax credit by the Alabama Development Office may take up to 5% of the vested premium tax credit each tax year beginning Jan. 1, 2011. Beginning Jan. 1, 2014, the insurer may take up to 17.5% of the credit. Any unused credit may be carried forward indefinitely until the credits are used.

§ 40-18-376 Investment Credit

The incentivized company is allowed an investment credit in an annual amount equal to 1.5 percent of the capital investment incurred as of the beginning of the incentive period to offset the insurance premium tax levied by Section 27-4A-3(a), or as an estimated payment of insurance premium tax.

Credits (cont.)

§ 27-4A-3

Insurance Offices Facilities Credit:

For each office owned or leased by an insurer in Alabama and used for insurance operations, the insurer shall be entitled to tax credits of:

| Number of Full-Time Employees in Office | Credit as a % of Taxable Premiums |
|--|--|
| 1–3 | 0.0025% |
| 4–10 | 0.0050% |
| 11–50 | 0.0075% |
| 51 or more | 0.0100% |

Total allowable credit for office facilities shall not exceed 1% of the insurer's Alabama taxable premiums.

Real Property Investment Credit:

For each \$1 million in value of real property investments in Alabama, an insurer shall be entitled to a credit of 0.10% of its Alabama taxable premiums. The total credit allowed for real property investments shall not exceed 1% of an insurer's Alabama taxable premiums.

§ 27-44-13 Life and Health Guaranty Association

Life and health guaranty association assessments may be offset against the premium tax at a rate of 20% per year for five years beginning the year after the assessment is paid.

§ 27-42-16 Property and Casualty Guaranty Association

Property and casualty guaranty association assessments may be taken as a credit against taxes at the rate of 20% per year for 5 years beginning year after assessment is paid.

§ 27-1-24.1 Coastal Incentive Credit

Insurance carriers must make application and be issued an award certificate in order to receive a nonrefundable credit against insurance premium tax for new policies written after the date this Code was amended, July 1, 2014, on properties insured by the Alabama Insurance Underwriting Association at the time of writing by the private insurer for wind and hail coverage in specified coastal areas. The amount of the credit is equal to 20% for premiums written in zones B4, B5, M4, M5 or successor zones and 35% for premiums written in zones B1, B2, B3, M1, M2, M3, Gulf Front or successor zones. The total credit to be awarded each year is \$50,000.

§§ 41-9-216 to 41-9-219.7 Alabama New Markets Credit

Tax credits for investments in impoverished and low-income communities. Alabama Commerce Department allocates the credits. Zero percent for the first year and 8.33% for years 2 through 7.

Credits (cont.)

§§ 40-18-382; 40-18-383 Job Act Credits

Credits are available for qualifying projects for which project agreements are executed on or prior to July 31, 2023. The annual cap on credits is \$325 million for 2021 and \$350 million for 2022. Of that amount, \$20 million must go to qualifying projects located in targeted or jumpstart counties.

§§ 40-18-417.4 to 40-18-417.7 Growing Alabama Credits

A taxpayer is allowed a Growing Alabama Credit to be applied to offset the insurance premium tax levied by Section 27-4A-3(a). A credit for cash contributions to local economic development organizations approved by the Renewal of Alabama Commission is available for online applications approved on or prior to July 31, 2023. The annual cap is \$20 million beginning in 2021. Unused credits may be carried forward for no more than 5 years.

Payment Due Dates:

§ 27-4A-3

Return due Mar. 1. Quarterly payments are due on the following schedule: May 15 pay tax on 25% of last year's business, or on the actual business for the quarter from Jan. 1 through Mar. 31; Aug. 15 pay tax on 45% of last year's business, or 180% of the actual business for the quarter from April 1 to June 30; Nov. 15 pay tax based on 25% of last year's business or on the actual business for the quarter from July 1 to Sept. 30; and on Mar. 1 pay the actual remainder of the tax due. File a statement each quarter showing the total amount of premium received from business transacted in Alabama.

Penalties:

§ 27-4A-4

Failure to comply with all of provisions subjects the companies to a penalty of not less than \$1,000 or more than \$10,000.

§ 27-9A-7

Failure for an independent adjuster to inform the commissioner within 30 days of a change in legal name or address shall result in a penalty of \$50. If the penalty is not paid within 30 days after notice of the penalty assessment, the license shall be suspended until the penalty is paid.

Extensions:

No specific provision for extension.

Retaliatory Law:

§ 27-3-29

When taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements, etc. charged Alabama insurers would exceed those imposed by Alabama on similar insurers, a retaliatory tax will be imposed. Taxes imposed by political subdivisions are considered imposed by the state. All fees and taxes are aggregated on a separate retaliatory tax form, PG.

FEES

All fees and taxes are aggregated on a separate retaliatory tax form.

→ Insurers' Fees:

§§ 27-4-2; 27-31B-4; 27-21A-21; 8-8-15; 27-12A-41; 27-22A-7; Bulletin 2021-8 (July 29, 2021); Department website

Certificate of authority:

| | |
|---|-------|
| Initial application for original certificate of authority, including the filing with the commissioner of all documents incidental thereto | \$500 |
| Initial application for original certificate of authority HMO, including the filing with the commissioner of all documents incidental thereto | 50 |
| Captive insurers, initial application for original certificate of authority | 240 |
| Audit and examination fee for a company application | 2,000 |
| Audit and examination fee for an HMO application | 2,000 |
| Issuance of original certificate of authority | 500 |
| Annual continuation or renewal fee | 500 |
| Annual continuation or renewal fee HMO..... | 200 |
| Reinstatement fee..... | 500 |

Charter documents:

| | |
|---|----|
| Filing with the commissioner amendments to articles of incorporation or of association, or of other charter documents or to bylaws..... | 25 |
|---|----|

Solicitation permit:

| | |
|--|-----|
| Solicitation's permit, filing application and issuance | 250 |
|--|-----|

Annual statement:

| | |
|--|-------|
| For insurer, except when filed as part of application for original certificate of authority, filing..... | 25 |
| Audit and examination fee for annual statement | 1,200 |
| Audit and examination fee for annual statement, mutual aid societies and fraternal | 400 |
| Audit and examination fee for annual statement HMOs..... | 500 |

Insurers' Fees (cont.)

§§ 27-4-2; 27-31B-4; 27-21A-21; 8-8-15; 27-12A-41; 27-22A-7; Bulletin 2021-8 (July 29, 2021);
Department website (cont.)

Miscellaneous services:

| | |
|--|-----|
| For copies of documents, records on file in insurance department, per page | \$1 |
| For each certificate of the commissioner under his seal, other than agent licenses | 5 |
| Service of process | 50 |
| Returned check fee..... | 30 |

Fraud Unit:

| | |
|-----------------|-----|
| Assessment..... | 200 |
|-----------------|-----|

Producer appointments:

| | |
|--|----|
| Filing notice of appointment..... | 40 |
| Annual continuation of appointment | 25 |

Service representative appointments:

| | |
|---|----|
| Initial license/appointment fee (per insurer) | 70 |
| Biennial license renewal fee | 70 |
| Late fee | 50 |
| Appointment renewal fee..... | 40 |

Captive insurers:

| | |
|---|-----|
| Filing application for license | 240 |
| License fee (for original license and each annual renewal)..... | 360 |

→ Producer Licensing Fees:

§§ 27-4-2; 27-9A-7; 27-8A-9; 27-22A-7; 27-25-4.7; 27-25-4.2; Bulletin 2021-8 (July 29, 2021);
Department website

Producer licenses:

| | |
|--|-----|
| Individuals (resident or nonresident): | |
| License fee (for original license + application) | 80 |
| Late fee (only if paid month after birth-month) | 50 |
| Biennial license renewal fee..... | 70 |
| Reissue fee (within 365 days)..... | 140 |
| Filing notice of appointment | 40 |
| Annual continuation of appointment fee | 25 |
| Business entities: | |
| License fee (for original license + application)..... | 130 |
| Biennial license renewal fee..... | 100 |
| Late fee..... | 50 |
| Notice of appointment fee | 40 |
| Annual continuation of appointment fee | 25 |
| Late fee, for appointment continuation invoice..... | 250 |
| plus an additional 250 for each additional month late | |

Producer Licensing Fees (cont.)

§§ 27-4-2; 27-9A-7; 27-8A-9; 27-22A-7; 27-25-4.7; 27-25-4.2; Bulletin 2021-8 (July 29, 2021);
 Department website (cont.)

Producer licenses (cont.)

Temporary:

| | |
|---|------|
| License fee per insurer | \$80 |
| Notice of appointment fee per insurer | 40 |
| Total initial fees | 120 |

Examination fees (for producer examination or reexamination of resident agent or broker):

| | |
|--|----|
| Each classification of examination | 50 |
| Producer Combined Life and Health exam | 75 |
| Producer Combined Property and Casualty exam | 75 |

Reinsurance intermediary license:

| | |
|--------------------------------------|-----|
| Filing application for license | 30 |
| Issuance of original license | 140 |
| Annual continuation of license | 100 |

Managing general agent’s license (§ 27-4-2; Bulletin 2021-08):

| | |
|---|-----|
| Application fee for initial application, each insurer | 30 |
| License fee | 125 |
| Annual continuation of license, each insurer | 75 |
| Examination fee | 250 |

Service representative license (§§ 27-4-2; 27-8A-9):

| | |
|---|----|
| Biennial continuation of license, property and casualty, each insurer | 70 |
| Late fee | 50 |

Surplus lines broker:

Individuals:

| | |
|--|-----|
| License fee for original license + application | 230 |
| Renewal | 200 |

Business entities:

| | |
|---|-----|
| Initial license fee + application fee | 530 |
| Annual license renewal fee | 500 |

Producer Licensing Fees (cont.)

§§ 27-4-2; 27-9A-7; 27-8A-9; 27-22A-7; 27-25-4.7; 27-25-4.2; Bulletin 2021-8 (July 29, 2021);
Department website (cont.)

**Adjusters (§§ 27-4-2; 27-9A-7; Ala. Admin. Code (AAC) 482-1-151-.06; 482-1-151-.07;
482-1-151-.08):**

Individuals:

| | |
|--|-------|
| Individual license fee for original license + application..... | \$110 |
| Biennial continuation of licenses | 80 |
| Reissue (within 365 days) | 160 |
| Late fee (only if paid month after birth month)..... | 40 |
| Apprentice adjuster..... | 110 |

Business entities:

| | |
|---|-----|
| License fee + application fee..... | 230 |
| Biennial license renewal fee..... | 200 |
| Reinstated within 30 days of expiration | 300 |
| Reissue fee (within 365 days)..... | 80 |
| Examination fee | 75 |

Portable electronics (§ 27-22A-7):

Individuals:

| | |
|-----------------------------------|-------|
| Initial license fee (small) | 100 |
| Initial license fee (large)..... | 1,000 |
| Renewal fee (small)..... | 100 |
| Renewal fee (large) | 500 |
| Late fee | 50 |
| Appointment fee (small)..... | 40 |
| Appointment fee (large) | 40 |

Business entities:

| | |
|-----------------------------------|-------|
| Initial license fee (small) | 100 |
| Initial license fee (large)..... | 1,000 |
| Renewal fee (small)..... | 100 |
| Renewal fee (large) | 500 |
| Late fee | 50 |
| Appointment fee (small)..... | 40 |
| Appointment fee (large) | 40 |

Producer Licensing Fees (cont.)

§§ 27-4-2; 27-9A-7; 27-8A-9; 27-22A-7; 27-25-4.7; 27-25-4.2; Bulletin 2021-8 (July 29, 2021); Department website (cont.)

Title insurance (§§ 27-25-4.7; 27-25-4.2; AAC 482-1-148-.06):

Individuals:

| | |
|---|------|
| Initial license + application fee | \$60 |
| Biennial license renewal fee | 40 |
| Late fee | 50 |
| Reinstatement fee | 80 |
| Notice of appointment fee | 30 |
| Appointment renewal fee | 10 |
| Examination fee | 75 |

Business entities:

| | |
|---|-----|
| Initial license + application fee | 120 |
| Biennial license renewal fee | 100 |
| Late fee | 50 |
| Notice of appointment fee | 30 |
| Appointment renewal fee | 10 |

Producers' appointment fees are paid by the company. Producer's license renewal fees are the responsibility of the producer.

DEPOSITS

§ 27-3-11

A value at all times not less than \$100,000 or the minimum paid-in capital stock if a stock insurer, or surplus if a mutual or reciprocal insurer, required to be maintained by the insurer under this title for authority to transact the kinds of insurance to be transacted, whichever is the smaller amount. Foreign insurers may provide certification of like deposit in another state.

§ 27-3-12

Surety insurers shall deposit an additional \$50,000, unless the company's deposit in its state of domicile is at least \$200,000.

§ 27-3-13

Domestic title insurers may deposit \$50,000; foreign insurers must deposit \$50,000.

→ **CONTACT PERSON**

Premium Tax

LaKisha Hardy: (334) 241-4114; lakisha.hardy@insurance.alabama.gov

Premium Tax

Andrea Brown: (334) 241-4183; andrea.brown@insurance.alabama.gov

Premium Tax

Caitlin Walker: (334) 240-7574; caitlin.walker@insurance.alabama.gov

Producers' Licensing

Antwionne Dunklin: (334) 241-4126; antwionne.dunklin@insurance.alabama.gov

→ Deposits

Ken Smithson: (334) 241-4156; john.smithson@insurance.alabama.gov

→ Reinsurance Intermediaries and MGAs

Jill Gregory: (334) 241-4161; jill.gregory@insurance.alabama.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

ALASKA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Alaska Stat. § 21.09.210

Total direct premium written minus cancellations, returned premiums, dividends, refunds and other similar returns. Considerations on annuities are not taxed; premiums for wet marine and transportation insurance are covered under another section.

Tax Rate:

§§ 21.09.210; 21.59.070

2.7% for domestic and foreign insurers, except hospital and medical service corporations and title insurers.

Individual life insurance premiums 2.7% for a policy of individual life insurance with a policy year premium up to \$100,000 and 0.08% for a policy of individual life insurance with a policy year premium exceeding \$100,000. Premiums taxed at the 0.08% rate are not subject to retaliation.

2.7% for risk retention groups

2.7% for automobile service corporations

6% of gross premiums less claims paid for hospital and medical service corporations.

0.75% gross underwriting profit for wet marine and transportation contracts

§ 21.66.110

1% of gross title insurance premiums

§ 21.85.100

2.7% for multiple employer welfare arrangement, except on premiums already reported by domestic and foreign insurers.

Other Taxes and Assessments:

→ § 23.30.040 Second Injury Fund

Employer or insurer contributes an amount based upon a rate set by commissioner and limited by the amount paid out in workers' compensation benefits. The maximum rate for 2022 is 4%.

The workers' compensation reforms passed by the State of Alaska Legislature on May 11, 2018, (SCS CSHB 79(FIN)) provided for the closure of the Second Injury Fund. The fund will not accept claims for second injury fund reimbursement after September 30, 2020.

§ 21.55.220 Health Pool

Comprehensive Health Insurance Association (ACHIA) may assess insurers to cover administrative operating and losses of the association. 50% of ACHIA assessments paid in 2021 may be offset against 2022 premium taxes.

§ 21.80.060 Property and Casualty Guaranty Association

Initial assessments made by the guaranty association may not be more than 2% of net direct written premiums in an account with a deficiency.

§ 21.79.070 Life and Health Guaranty Association

The total of all assessments on a member insurer for each subaccount of the life and annuity account and for the health account may not in any one calendar year exceed 2% of the insurer's average annual premiums received in this state on policies or contracts covered by the account or subaccount during the three calendar years preceding the year in which the insurer became an impaired or insolvent insurer.

§ 21.09.210 Preemption

The state government preempts the field of imposing excise, privilege, franchise, income, license, permit, registration, and similar taxes, licenses, and fees upon insurers and their general agents, agents, and representatives; and on the intangible property of insurers or agents; and all political subdivisions of agencies in the state are prohibited from imposing or levying upon insurers, their agents and representatives, any tax, license, or fee. This subsection shall not be construed as prohibiting the imposition by political subdivisions of taxes upon real and tangible personal property of insurers and their general agents, agents, and representatives.

Exclusions and Deductions:

§ 21.84.400 Fraternal

Fraternal benefit societies are exempt from the payment of premium tax.

§ 21.09.210(i) Public Officers and Employees

Premiums paid by the State of Alaska for insurance policies and contracts purchased for public officers and employees are exempt from taxation.

Exclusions and Deductions (cont.)

5 U.S.C. § 8909; Social Security Act § 1853

Federal law preempts taxing the following:

- Group health benefits insurance purchased under the Federal Employees Health Benefits Act Program; and
- Payment to Medicare+ Choice organizations under § 1853.

Credits:

§ 21.96.070 Cash Contributions to Educational Institutions

(a) A taxpayer is allowed a credit against premium tax for cash contributions or equipment accepted

- 1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association;
- 2) for secondary school level vocational education courses, programs and facilities by a school district in the state;
- 3) for vocational education courses, programs, and facilities by a state-operated vocation technical education and training school;
- 4) for a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association;
- 5) for Alaska Native cultural or heritage programs and educational support including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through grade 12 in the state; and
- 6) for education, research, rehabilitation, and facilities by an institution that is located in the state and that qualifies as a coastal ecosystem learning center under the Coastal America Partnership.

(b) The credit is 50% of contributions.

(cont.)

Credits (cont.)

§ 21.96.070 Cash Contributions to Educational Institutions (cont.)

(d) A contribution claimed as a credit may not

- 1) be the basis for a credit claimed under another provision of this title and
- 2) when combined with contributions that are the basis for credits taken during the taxpayer's tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, or AS 43.77.045, result in a total amount of credits exceeding \$1,000,000; if the taxpayer is a member of an affiliated group, then the total amount of credits may not exceed \$1,000,000 for the affiliated group.

(e) The credit may not reduce a person's tax liability under AS 21.09.210 or AS 21.66.110 to below zero for any tax year. An unused credit or portion of a credit not used for a tax year may not be sold, traded, transferred, or applied in a subsequent tax year.

§ 21.55.220 Comprehensive Health Insurance Association (CHIA) Assessments

A qualified insurer is entitled to offset 50% of the amount of CHIA assessments against premium taxes the insurer owes on premiums written in the year following the date of the assessment. The offset may not reduce the premium tax payable to less than zero or create a premium tax credit. An unused offset may be carried over to the immediately following calendar year. 50% of ACHIA assessments paid in 2021 may be offset against 2022 premium taxes. This credit is not subject to retaliation.

§ 43.98.030 Film Production Tax Credit

A taxpayer who acquires a transferable film production tax credit certificate may use the credit or a portion of the credit to offset taxes imposed under §§ 21.09.210 and 21.66.110. A portion of the credit not used may be used at a later period but must be used within six years after being provided by the Alaska Department of Revenue. This tax credit is subject to retaliation.

Payment Due Dates:

§ 21.09.210; 3 Alaska Admin. Code 21.550 to 21.570

The annual tax report and payment of tax is due on or before Mar. 1. An authorized insurer that pays \$10,000 or more in one tax year shall pay tax the following year in four payments. On or before May 31, Aug. 31, and Nov. 30, pay 25% of annual premium tax it paid the previous tax year. On or before Mar. 1 of the following year, calculate total tax due and pay balance or request a refund or overpayment towards subsequent year tax. Requirement to pay quarterly does not apply to ocean marine tax or retaliatory fees. The taxes must be paid by the automated clearing house debit or credit payment system through OPTins.

Payment Due Dates (cont.)

§ 21.09.200; 3 Alaska Admin. Code 31.050

The annual statement filing fee of \$100 is due on or before Mar. 1 and must be paid by the automated clearing house debit or credit payment system through *OPTins*. This fee is reported on the annual premium tax report.

§ 21.09.130; 3 Alaska Admin. Code 31.050

The continuation of certificate of authority fee is due on or before June 30 and must be paid by the automated clearing house debit or credit payment system through *OPTins*. This fee is reported on the annual premium tax report.

Penalties:

§§ 21.09.210; 21.66.110

The late payment fee is \$50 per month or part of a month plus 5% of the tax due each calendar month or part of a month with a maximum late fee of \$250 plus 25% of the tax due, and interest at the rate of 1% per month or part of a month for the period the insurer fails to pay the premium tax. If payment is not received by the automated clearing house payment method through *OPTins*, a penalty of 25% of the tax due will be assessed, with a minimum of \$100 and maximum of \$2,000. Suspension or revocation of certificate of authority if insurer fails to pay taxes, penalty or late payment fee as required.

§ 21.09.200

The late filing of a statement or report in the form and location required by the director is subject to a penalty of \$100 for each day the filing is late.

Extensions:

No provision for extension.

Retaliatory Law:

§ 21.09.270

If taxes, licenses and fees in the aggregate and fines, penalties, deposit requirements, etc. imposed on Alaska insurers or representatives is in excess of charges Alaska makes on similar insurers or representatives, a retaliatory fee will be imposed. Does not apply to personal income taxes or to ad valorem taxes on property or to special purpose assessments imposed in connection with other than property insurance, except that deductions from premium taxes or other taxes otherwise payable allowed on accounts of real estate or personal property taxes paid shall be taken into consideration. A health care insurer may not include taxes, assessments, or other similar obligations on health care insurance premiums received from the state, a municipality, a city or borough school district, a regional educational attendance area, the University of Alaska or a community college operated by the University of Alaska.

FEES

The annual statement filing fee and the certificate of authority continuation fee are retaliated in the aggregate with the other recurring fees and taxes on the premium tax report as well as filing fees for rate and form filings paid to other states.

Insurers' Fees:

3 Alaska Admin. Code 31.040 to 31.060

Certificate of authority:

| | |
|--|---------|
| Certificate of authority application, including a solicitation permit and issuance of the certificate, if issued, a one-time fee of..... | \$2,250 |
| Annual continuation of certificate of authority..... | 2,250 |
| Amendment to a certificate of authority | 100 |
| Amendment to the articles of incorporation | 100 |
| Revised bylaws or amendments to bylaws | 100 |
| Reinstatement of a certificate of authority..... | 500 |
| Replacement of a lost certificate of authority | 25 |

Certificate of authority:

| | |
|--|-------|
| Application from a multiple employer welfare arrangement, including the issuance of the certificate, if issued, a one-time fee of..... | 2,000 |
| Annual continuation of certificate of authority..... | 2,000 |

Annual statement:

| | |
|----------------------------------|-----|
| Annual statement filing fee..... | 100 |
|----------------------------------|-----|

Solicitation permit:

| | |
|--|-----|
| Subsequent financing for domestic insurers | 100 |
|--|-----|

Registration:

| | |
|---|-----|
| As an accredited reinsurance company..... | 500 |
|---|-----|

Review:

| | |
|---|-----|
| Of assuming reinsurance company for compliance with law | 100 |
|---|-----|

Holding company:

| | |
|---|-------|
| Form A filing acquisition of control of a merger with a domestic insurer..... | 2,000 |
|---|-------|

Miscellaneous Fees:

3 Alaska Admin. Code 31.040 to 31.060

Rating bureau:

Three-year license..... \$6,000

Surplus lines (applies only to alien insurers not on NAIC Quarterly IID Listing):

Filing of a certified annual financial statement by surplus lines insurer..... 100
 Application for registration of a surplus lines insurer on the division’s “white list”..... 1,000
 Annual renewal of “white list” registration 500
 Reinstatement late fee of a surplus lines insurer’s registration..... 250

Risk retention and purchasing groups:

Initial registration of a risk retention group 1,000
 Annual continuation of a risk retention group 200
 Initial registration of a purchasing group 500
 Annual continuation of a purchasing group..... 200

Attorney-in-fact:

Initial application and annual renewal of a resident attorney-in-fact license..... 200
 Initial application and annual renewal of a nonresident attorney-in-fact license..... 500

Joint title plant:

Initial application, including issuance of the certificate, if issued 1,000
 Annual continuation of certificate of authority..... 600

Air Ambulance service provider:

Air ambulance service provider application fee 1,000
 Air ambulance service provider biennial renewal fee..... 200

Independent review organization:

Initial registration fee and biennial renewal few 1,000

Miscellaneous services:

For issuing a certification..... 25
 For accepting service of process 25
 For photocopies.....\$0.25 per page if copied by division staff, otherwise \$0.15 per page
 Computer listings 25
 Cassette tape or a computer disk..... 5
 Computer disk formatted for data submission 25
 Returned check fee..... 25
 For any printed material not otherwise described in this section, director may charge the actual cost of printing plus handling and postage.

→ Producer Licensing Fees:

§§ 21.27.010; 21.27.025; 21.27.040; 21.59.140; 21.59.160; 3 Alaska Admin. Code 31.020 to 31.060

→ **Producer Licenses** (Biennial fee)

| | Individual | | Firm | |
|---|-------------------|-------------|-------------|-------------|
| | Resident | Nonresident | Resident | Nonresident |
| Insurance Producer or Managing General Agent, any line(s) | \$75 | \$75 | \$75 | \$75 |
| Independent Adjuster | 75 | 75 | 75 | 75 |
| Surplus Lines Broker | 300 | 300 | 300 | 300 |
| Reinsurance Intermediary Manager | 75 | 75 | 75 | 75 |
| Reinsurance Intermediary Broker | 75 | 75 | 75 | 75 |
| Viatical Settlement Broker | 100 | 100 | 100 | 100 |
| Viatical Settlement Representative | 100 | 100 | 100 | 100 |
| Viatical Settlement Provider | 300 | 300 | 300 | 300 |
| 1033 License Application | 300 | 300 | N/A | N/A |
| Third Party Administrator | 300 | 300 | 300 | 300 |
| Independent Portable Electronics Adjuster | 75 | 75 | 75 | 75 |
| Motor Vehicle Service Contract Provider | 300 | 300 | 300 | 300 |
| Motor Vehicle Service Contract Administrator | 75 | 75 | 75 | 75 |

Trainee Licenses

| | Individual | |
|-------------------------------|-------------------|-------------|
| | Resident | Nonresident |
| Trainee Independent Adjusters | \$75 | N/A |

Producer Licensing Fees (cont.)

§§ 21.27.010; 21.27.025; 21.27.040; 21.59.140; 21.59.160; 3 Alaska Admin. Code 31.020 to 31.060 (cont.)

Limited Licenses (Biennial fee)

| | Individual | | Firm | |
|---------------------------------------|-------------------|-------------|-------------|-------------|
| | Resident | Nonresident | Resident | Nonresident |
| Bail Bond | \$75 | \$75 | \$75 | \$75 |
| Travel | 75 | 75 | 75 | 75 |
| Title | 75 | N/A | 75 | N/A |
| Motor Vehicle Rental Agency | 75 | 75 | 75 | 75 |
| Credit | 75 | 75 | 75 | 75 |
| Crop | 75 | 75 | 75 | 75 |
| Portable Electronics Limited Producer | 75 | 75 | 75 | 75 |

Late fee for failure to timely notify director in writing within 30 days after a change in residence, place of business, legal name, fictitious name or alias, mailing address, electronic mailing address, telephone number, compliance office, any administrative action taken against the licensee by a governmental agency of another state or by a governmental agency of another jurisdiction, including FINRA sanction or arbitration proceedings (effective Oct. 16, 2016), within 30 days after the final disposition of the action, and any criminal prosecution of the licensee in this or another state or jurisdiction within 30 days after the date of filing of the criminal complaint, indictment, information, or citation in the prosecution:

| | |
|-------------------------------|------|
| 1—60 days late | \$50 |
| 61—120 days late | 100 |
| More than 120 days late | 200 |

Delayed renewal penalty to reinstate a license that has expired:

| | |
|---------------------------------|-----|
| 1—60 days overdue | 100 |
| More than 60 days overdue | 200 |

Reinstatement:

Of revoked license, if received within 6 months of revocation, application fee plus 500

Miscellaneous licensing fees:

| | |
|---|-------|
| License amendment | 0 |
| Certification of license status | 25 |
| Letter of clearance | 25 |
| Fingerprint processing fee | 48.25 |
| (made payable to Alaska Division of Insurance when not paid through NIPR) | |

Producer Licensing Fees (cont.)

§§ 21.27.010; 21.27.025; 21.27.040; 21.59.140; 21.59.160; 3 Alaska Admin. Code 31.020 to 31.060
(cont.)

Application filing fee:

| | |
|---|-------|
| For third party administrators, reinsurance intermediary managers or brokers, or managing general agents seeking exemption from the registration or license requirement | \$100 |
| Additional filing fee if paper application received when filing can be submitted electronically | 50 |

Continuing Education Fees:

| | |
|---|-----|
| Provider application fee | 200 |
| Course application fee..... | 50 |
| Provider renewal fee | 100 |
| Course renewal fee..... | 50 |
| Course late roster filing fee..... | 250 |
| Late issuance of certificate of course completion | 20 |
| Course late renewal fee..... | 50 |
| (in addition to the \$50 renewal fee) | |
| Provider late renewal fee | 50 |
| (in addition to the \$100 renewal fee) | |
| Manual course review fee | 50 |

DEPOSITS

§§ 21.09.090; 21.66.010; 21.66.020; 21.85.030; 21.87.210

Most admitted insurers must have a deposit at least \$300,000 with the director. Foreign insurers may instead provide a certificate from the public official having supervision over them in any other state with at least a \$300,000 deposit. A title insurance company must have \$300,000 plus \$50,000 for each state or territorial subdivision in which it becomes qualified to sell title insurance up to \$750,000. In addition, within 30 days after filing each annual statement, title companies shall deposit 10% of preceding year written premiums up to \$50,000 in one year until the aggregate deposits of \$750,000 is reached at which point no further deposit will be required. Multiple Employer Welfare Arrangements (MEWA) are required to deposit at least \$200,000 with the director. Hospital/Medical Service Corporations are required to have a minimum \$100,000 surplus fund.

→ **CONTACT PERSON**

Premium Tax and Producer Licensing

Rebecca Nesheim: (907) 465-2584; rebecca.nesheim@alaska.gov

Company Licensing

Jeffery Bethel: (907) 269-7919; jeffery.bethel@alaska.gov

→ Producer Licensing

Kayla Erickson: (907) 465-2545; kayla.erickson@alaska.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

ARIZONA

→ **Arrow indicates an update for 2022**

EDITOR'S NOTE

Arizona Revised Statutes (“ARS”) are accessible from the “Legislative Council” menu on the Arizona State Legislature website (www.azleg.gov). Most insurance laws are contained within Title 20.

Arizona Administrative Code (“AAC”) is accessible from the “Rules” menu on the Arizona Secretary of State website (www.azsos.gov). Most insurance-related rules are contained within Title 20, Chapter 6.

PREMIUM TAX

Tax forms and instructions are available from the Department of Insurance “Taxes” web page (<https://insurance.az.gov/insurers/taxes>).

Premium Tax Base:

ARS § 20-206(B) Previously Authorized Insurers

An insurer no longer transacting new business in Arizona is subject to premium tax requirements but does not need a certificate of authority to collect premiums for, or to service, policies remaining in force for residents or risks residing in Arizona.

§ 20-224 Authorized Insurers

Total direct premium income including policy membership and other fees and all other considerations for insurance from all classes of business whether designated as a premium or otherwise received by the insurer during the preceding calendar year on account of policies and contracts covering property, subjects or risks located, resident or to be performed in Arizona, after deducting applicable cancellations, returned premiums, the amount of reduction in or refund of premiums allowed to industrial life policyholders for payment of premiums direct to an office of the insurer and all policy dividends, refunds, savings coupons and other similar returns paid or credited to policyholders within Arizona and not reapplied as premiums for new, additional or extended insurance. No deduction shall be made of the cash surrender values of policies or contracts.

§ 20-837 Hospital, Medical, Dental and Optometric Service Corporations

Net premiums received to effect or maintain subscription contracts.

§ 20-1010 Prepaid Dental Plan Organizations

Prepaid net charges received from members.

Premium Tax Base (cont.)

§ 20-1060; AAC R20-6-405(E)(14) and (L) Health Care Services Organizations

Net charges received from enrollees. Net charges are the total of all sums prepaid by or for all enrollees, less approved refunds, adjustments and deductions, as consideration for health care services of a health care plan under an evidence of coverage.

§ 20-1097.07 Prepaid Legal Insurance Corporations

Taxes as prescribed by § 20-224.

§ 20-2403(C) Foreign Risk Retention Groups

Premiums of direct business for risks resident or located in Arizona on the same basis as a foreign admitted insurer.

§ 23-961(G) Workers’ Compensation Insurance

Premiums collected or contracted for during the preceding year ending Dec. 31 less deductions for cancellations, returned premiums, policy dividends, or refunds paid or credited to policyholders that are not reapplied for new, additional or extended insurance. Paid to the Arizona Industrial Commission in lieu of insurance premium tax.

Tax Rate:

§ 20-224

“Base rate” applicable to authorized insurers and formerly authorized insurers subject to § 20-206(B), except as otherwise specified.

| CY 2015 and before | CY 2016 | CY 2017 | CY 2018 | CY 2019 | CY 2020 | CY 2021 & after |
|-----------------------|---------|---------|---------|---------|---------|--------------------|
| 2.00% | 1.95% | 1.90% | 1.85% | 1.80% | 1.75% | 1.70% |

In lieu of base rate, 2.2% for fire insurance premiums, except 0.66% for fire insurance premiums on property located in an incorporated town or city certified by the state fire marshal pursuant to § 9-951, subsection B, as procuring the services of a private fire company. Since Jan. 1, 2007, Carefree and Fountain Hills have been the only incorporated cities or towns procuring services of a private fire company.

“Fire insurance” consists of 100% of fire, 40% of commercial multiple peril non-liability (property), 35% of homeowners’ multiple peril, 25% of farm owners’ multiple peril and 20% of allied lines.

0% of annuity considerations

2.00% disability

Tax Rate (cont.)

§ 20-224.01

0.4312% additional premium tax on insurance covering vehicles (in addition to “base rate”)

“Vehicles” means a device in, on or by which a person or property is or may be transported or drawn on a public highway, excluding electric bicycles, electric miniature scooters, electric standup scooters, devices moved by human power; devices used exclusively on stationary rails or tracks; personal delivery devices; scrap vehicles; or personal mobile cargo carrying devices. See § 28-101.

§ 20-837

2% hospital, medical, dental & optometric service corporation

§ 20-883

0% fraternal benefit societies

§ 20-1010

2% prepaid dental plan organization

§ 20-1060

2% health care services organization

§ 20-1097.07

Base rate prescribed under § 20-224 for prepaid legal insurance corporation

§ 20-1566

0% title insurer premium tax. Title insurers pay corporate income tax to Arizona Department of Revenue (www.azdor.gov) in lieu of insurance premium tax, but are subject to retaliation (payable to the Arizona Department of Insurance) to the extent the domicile’s premium tax rate multiplied times the insurer’s Arizona risk premiums is greater than the net income tax the insurer paid to the Arizona Department of Revenue.

§ 20-2304(J)

0% for accountable health plan net premiums received for health benefit plans issued to small employers. See definitions for “accountable health plan,” “health benefits plan” and “small employer” in § 20-2301(A).

§ 20-2403(C)

Risk retention group same as for a foreign admitted insurer.

Tax Rate (cont.)

→ §§ 23-961(G); 23-1065(A) and (F)

Workers’ compensation insurance premium tax assessments, payable to the Industrial Commission of Arizona (<https://www.azica.gov>) consisting of the following components:

| Description | CY 2022 Rate | CY 2021 Rate | CY 2020 Rate | CY 2019 Rate | CY 2018 Rate |
|--|--------------|--------------|--------------|--------------|--------------|
| Administrative Fund tax § 23-961(G) | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% |
| “Special Fund tax” to pay for vocational rehabilitation for persons sustaining industrial injuries § 23-1065(A) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| “Apportionment tax” to pay for vocational rehabilitation for persons sustaining industrial injuries § 23-1065(F) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| TOTAL | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% |

Other Taxes and Assessments:

§ 20-226 Insurers

Taxes paid pursuant to § 20-224 are in lieu of all other demands for state, county, district, municipal and school taxes, licenses and excises except for fees prescribed in ARS Title 20; taxes on real and tangible personal property located in Arizona; and state, county, city or town transaction privilege and use taxes.

§ 20-1566 Title Insurers

Income tax paid by title insurers pursuant to § 20-1566(A) in lieu of all other demands for state, county, district, municipal and school taxes, licenses and excises except for fees prescribed in ARS Title 20, Chapter 1, Article 2; and taxes on real and tangible personal property located in Arizona. Title insurers are subject to retaliation per § 20-230.

→ § 20-466(J) Fraud Unit Assessment

The director shall annually assess each insurer, hospital service corporation, health care services organization, prepaid dental plan organization and service company authorized to transact business up to \$1,050 for the administration and operation of the fraud unit, which may be adjusted annually. Assessments are levied July of each year.

| 2022 Per-Insurer Amount | 2021 Per-Insurer Amount | 2020 Per-Insurer Amount | 2019 Per-Insurer Amount | 2018 Per-Insurer Amount |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$1,050.00 | \$1,050.00 | \$1,050.00 | \$1,050.00 | \$1,050.00 |

Other Taxes and Assessments (cont.)

→ § 20-666 Property and Casualty Insurance Guaranty Fund

The Fund board may assess each member insurer up to 1% of direct written premiums for kinds of insurance in account with insolvency and not more than \$200 per year for operating expenses of the board. *The retaliation provisions of § 20-230 do not apply to assessments on or credits to insurers for the payment of claims of policyholders of insolvent insurers.*

| 2022 Aggregate Amount | 2021 Aggregate Amount | 2020 Aggregate Amount | 2019 Aggregate Amount | 2018 Aggregate Amount |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

→ § 20-686 Life and Health Insurance Guaranty Fund

The fund board may assess each member insurer, separately for each account, a Class A assessment for the purpose of meeting administrative costs and other general expenses not related to a particular impaired insurer and a Class B assessment to carry out the powers and duties of the fund with regard to an impaired insurer. The total of all assessments upon a member insurer for each account shall not in any one calendar year exceed 2% of premiums in Arizona on the policies covered by the account. *The retaliation provisions of § 20-230 do not apply to assessments on or credits to insurers for the payment of claims of policyholders of insolvent insurers.*

| 2022 Aggregate Amount | 2021 Aggregate Amount | 2020 Aggregate Amount | 2019 Aggregate Amount | 2018 Aggregate Amount |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$6,389,000 | \$5,435,000 | \$7,500,000 | \$16,000,000 | \$9,200,000 |

* Assessments for 2021 are expected to be levied in December 2021.

→ § 20-2201(D) Liability Insurance Voluntary Plan Administration Assessment

The director may annually assess insurers authorized to transact liability insurance up to \$200 for the costs of administering the voluntary plan.

| 2022 Per-Insurer Amount | 2021 Per-Insurer Amount | 2020 Per-Insurer Amount | 2019 Per-Insurer Amount | 2018 Per-Insurer Amount |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

→ § 20-2212(B) Liability Insurance Joint Underwriting Association; Deficit Assessment

The JUA may assess each member up to 1% of its net direct premium in Arizona attributable to the line of insurance for which the deficit assessment is made.

| 2022 Aggregate Amount | 2021 Aggregate Amount | 2020 Aggregate Amount | 2019 Aggregate Amount | 2018 Aggregate Amount |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Other Taxes and Assessments (cont.)

→ § 20-2213(A) Liability Insurance Joint Underwriting Association; Initial Assessment

An initial assessment of up to \$500 may be imposed upon each member to defray the initial operating expenses. The initial assessment may be refunded by the association.

| 2022 Aggregate Amount | 2021 Aggregate Amount | 2020 Aggregate Amount | 2019 Aggregate Amount | 2018 Aggregate Amount |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

§ 20-2541(1) Health Care Appeals Fund; Single Fee

The director may assess each authorized health care insurer a single fee of not more than \$200 per insurer. This assessment was only levied at the outset of the department’s health care appeals program in Calendar Year 2000.

→ § 20-2541(2) Health Care Appeals Fund Annual Assessment

The director may assess up to \$200 each year for administrative costs associated with implementing and maintaining the external independent review process, including processing and payment of claims through the health care appeals fund.

| 2022 Per-Insurer Amount | 2021 Per-Insurer Amount | 2020 Per-Insurer Amount | 2019 Per-Insurer Amount | 2018 Per-Insurer Amount |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| \$200.00 | \$200.00 | \$200.00 | \$200.00 | \$150.00 |

→ § 41-3451(J) Automobile Theft Authority Fund; Semiannual Fees

Each insurer issuing motor vehicle liability insurance policies shall pay to the Arizona Automobile Theft Authority a semiannual fee of 50 cents per vehicle insured under a motor vehicle liability insurance policy issued by the insurer. The fee shall be fully earned and nonrefundable at the time the insurer collects the premium for the motor vehicle liability insurance policy.

Insurers must transmit fees to the Arizona Automobile Theft Authority by Jan. 31 for vehicles insured under policies issued during the immediately preceding July 1 through Dec. 31, and by July 31 for vehicles insured under policies issued during the immediately preceding Jan. 1 through June 30.

| 2022 Per-Vehicle Amount | 2021 Per-Vehicle Amount | 2020 Per-Vehicle Amount | 2019 Per-Vehicle Amount | 2018 Per-Vehicle Amount |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 |

Exclusions and Deductions:

§ 20-224 Annuities and Unabsorbed Premium Deposit

Considerations received on annuity contracts, as well as the unabsorbed portion of any premium deposit, shall not be included in total direct premium income, and neither shall be subject to tax.

§ 20-837 Service Corporation Tax Exemptions

No premium tax applies to premiums a service corporation receives as administrative or fiscal agent for national, state or municipal government or any political subdivision thereof, or to premiums received from funds of national, state or municipal government or any political subdivision thereof.

§ 20-883 Fraternal Benefit Societies

Fraternal are exempt from paying premium taxes (but foreign/alien fraternal are subject to retaliation).

§ 20-1060(C) Medicare Payments

Payments received by health care services organizations from the secretary of health and human services pursuant to Medicare contracts are not taxable.

§ 20-2304(J) Accountable Health Plan Small Group Business

Premiums received for health benefits plans issued to small employers by accountable health plans are exempt from tax. See definitions for “accountable health plan,” “health benefits plan” and “small employer” in § 20-2301(A).

Credits:

§§ 20-224.03; 41-1525 Quality Jobs Tax Credit

An insurer located in Arizona that makes required levels of capital investment and creates the required number of new qualified employee positions is allowed a tax credit against the premium tax for net increases in full-time employees hired in qualified employment positions (“QEPs”) as certified by the Arizona Commerce Authority. The tax credit is \$3,000 for each full-time employee hired in a QEP in the first year or partial year of employment. A credit is allowed for employment in the second and third year only for QEPs for which a credit was claimed and allowed in the first year. To qualify for a credit, the insurer must file information by or before deadlines specified in §§ 20-224.03(J) and 41-1525. If the allowable tax credit exceeds the state premium tax liability, the amount of the claim not used as an offset may be carried forward as a tax credit against the subsequent years’ premium tax liability for a period not exceeding five taxable years. Credits cannot be applied to taxes due on fire insurance premiums or any additional tax due on vehicle insurance premiums. *An insurer that claims a tax credit against state premium tax liability is not required to pay any additional retaliation under § 20-230 as a result of claiming the tax credit.*

Credits (cont.)

§ 20-224.04 Affordable Housing Premium Tax Credit

A tax credit is allowed against the premium tax liability incurred by a health care insurer pursuant to §§ 20-224, 20-837, 20-1010 or 20-1097.07 if the Arizona Department of Housing issues an eligibility statement for a qualified project. Unused credits may be carried forward for a period of five tax years. *An insurer that claims a tax credit against state premium tax liability is not required to pay any additional retaliation under § 20-230 as a result of claiming the tax credit.*

§ 20-224.05 Premium Tax Credit for Health Insurance Certificates Submitted by Qualified Persons

Annual tax credit allowed against the premium tax liability incurred by a health care insurer pursuant to §§ 20-224, 20-837 or 20-1060 for an individual or a small business that received a certificate from the department of revenue pursuant to § 43-210 and obtained health insurance from a health care insurer within 90 days after the date the certificate was issued. Eligibility for the credit is based on the period during which when health insurance coverage became effective (not the date the Arizona Department of Revenue issued the certificate). *An insurer cannot claim credit associated with tax-exempt premium. An insurer is not required to pay any additional retaliation under § 20-230 as a result of claiming the tax credit for health insurance certificates.*

For coverage issued to an individual, the amount of the credit is the lesser of:

- \$1,000 for coverage on a single person,
- \$500 for coverage on a child, or
- \$3,000 for family coverage, or
- 50% of the health insurance premium.

For coverage issued to a small business, the amount of the credit is the lesser of:

- \$1,000 for coverage on a single person, or
- \$3,000 for each employee who elects family coverage, or,
- 50% of the health insurance premium.

§ 20-224.06 Premium Tax Credit for Contributions to School Tuition Organization

A credit is allowed against the premium tax liability incurred by an insurer pursuant to §§ 20-224, 20-837, 20-1010, 20-1060 or 20-1097.07 for the insurer's voluntary cash contributions made during the tax year to a school tuition organization. The credit is only available for insurer contributions for the tax year that are preapproved by the department of revenue pursuant to § 43-1183(D). Procedures, conditions, limitations, definitions and other requirements are prescribed in § 43-1183. Unused credits may be carried forward for a period of five tax years. A credit is not allowed if the insurer designates the contribution for the direct benefit of any specific student. *An insurer that claims a tax credit against state premium tax liability is not required to pay any additional retaliation under § 20-230 as a result of claiming the tax credit.*

Credits (cont.)

§ 20-224.07 Premium Tax Credit for Contributions to School Tuition Organization (Displaced Students or Students with Disabilities)

A credit is allowed against the premium tax liability incurred by an insurer pursuant to §§ 20-224, 20-837, 20-1010, 20-1060 or 20-1097.07 for the insurer's voluntary cash contributions made during the tax year to a school tuition organization. The credit is only available for insurer contributions for the tax year that are preapproved by the department of revenue pursuant to § 43-1184(D). Procedures, conditions, limitations, definitions and other requirements are prescribed in § 43-1184. Unused credits may be carried forward for a period of five tax years. A credit is not allowed if the insurer designates the contribution for the direct benefit of any specific student. *An insurer that claims a tax credit against state premium tax liability is not required to pay any additional retaliation under § 20-230 as a result of claiming the tax credit.*

→ § 20-674 (B) and (F) Property and Casualty Guaranty Fund Assessments Offsets

Guaranty fund assessments may be offset against premium tax at the rate of 20% per year for five years beginning with the calendar year in which the assessment was collected. In no event may the total amount of the offset exceed 100% of each assessment. There is no carry forward for allowable offsets that exceed the annual tax liability. *The retaliation provisions of § 20-230 do not apply to assessments on or credits to insurers for the payment of claims of policyholders of insolvent insurers. **No assessment has been levied in the current calendar year or the preceding five calendar years; therefore, no credit currently applies.***

→ § 20-692 (B) and (E) Life and Health Guaranty Fund Assessment Offsets

Guaranty fund assessments may be offset against premium tax at the rate of 20% per year for five years beginning with the calendar year in which the assessment was collected. In no event may the total amount of the offset exceed 100% of each assessment. There is no carry forward for allowable offsets that exceed the annual tax liability. *The retaliation provisions of § 20-230 do not apply to assessments on or credits to insurers for the payment of claims of policyholders of insolvent insurers.*

For 2022, insurers that paid assessments levied by the Arizona Life and Disability Insurance Guaranty Fund Board will be able to offset their premium taxes for 20% of the 2017 assessment amount paid (even if paid in 2023), for 20% of the 2021 assessment amount paid (even if paid in 2022), and for 20% of the 2020 assessment amount paid (even if paid in 2021). The assessments approved/levied by the Board for each year totaled:

- \$7 million for 2017
- \$9 million for 2018
- \$16 million for 2019
- \$7.5 million for 2020
- \$5.4 million for 2021
- \$6.3 million for 2022

Credits (cont.)

→ § 20-2212(C) Joint Underwriting Association Deficit Assessment Tax Credits

Any member of the association subject to a deficit assessment pursuant to § 20-2212(B) in any one calendar year shall be allowed a premium tax credit beginning in the following calendar year, at the rate of 20% per year for five years. **No assessment has been levied during the past six years; therefore, no credit currently applies.**

Payment Due Dates:

§§ 20-224; 20-837; 20-1010; 20-1060; 20-1097.07; 20-2403

Annual tax report and payment due Mar. 1.

§ 20-224(F)

Any insurer required to pay a tax of \$50,000 or more on net premiums received during the preceding calendar year, shall pay 15% of the amount paid or required to be paid during the preceding calendar year, on or before the 15th of each month from Mar. through Aug. (hereinafter “installment tax payments”).

§ 20-224(K)

Beginning Jan. 1, 2018, the director may require that premium tax reports and payments be submitted electronically. If the director requires electronic submission, the director shall include on the Department’s website a list of one or more acceptable third-party services through which an insurer may submit reports and payments.

Accordingly, beginning Jan. 1, 2018, the director requires insurers to submit tax reports and payments, including installment tax payments, using the NAIC *OPTins* system, whether directly at www.optins.org, or through an authorized business partner of the NAIC.

This provision does not apply to title insurers, which are encouraged but not required to submit retaliation reports and payments using the NAIC *OPTins* system.

§ 20-225

Late payment of tax is subject to a civil penalty not to exceed the greater of \$25 or 5% of the amount paid late plus interest at the rate of 1% per month from the date the tax was due. The director shall revoke the certificate of authority for failure to pay tax for more than 30 days after it was due.

No penalty applies with respect to any payment of tax or interest that is late due to delays caused by a third-party service designated by the director pursuant to § 20-224(K). Specifically, this means that an insurer will not be subject to penalty if the NAIC *OPTins* system is unavailable to accept tax reports and payments on the Mar. 1 due date, and the date on which any penalty or interest is based will be deferred until the day after the NAIC *OPTins* system becomes available.

Extensions:

No specific provision for extension.

Retaliatory Law:

§ 20-230

When by or pursuant to the laws of any other state any premium or income or other taxes, or any fees, fines, penalties, licenses, deposit requirements or other material obligations are, in the aggregate, in excess of those Arizona applies to similar insurers domiciled in other states, a retaliatory amount is due. Any tax, license or other obligation imposed by any city, county or other political subdivision is deemed to be imposed by the state. Does not apply to ad valorem, taxes on real or personal property, or personal income taxes or to assessments on or credits to insurers for the payment of claims of policyholders of insolvent insurers. Does not apply to foreign/alien insurers whose domicile will not impose retaliatory taxes on Arizona insurers or provides an exemption from retaliatory taxes on a reciprocal basis to insurers that are domiciled in Arizona and doing business in the other state or country (Hawaii, Massachusetts, Minnesota, New York and Rhode Island). AAC R20-6-205 prescribes the method and administration of the addition to the rate of tax for calculation of the burden of any tax, license or other obligation imposed by any city, county or other political subdivision of a state or foreign country on Arizona insurers on an aggregate statewide or countrywide basis.

The Arizona Department of Insurance makes available on its Internet website an *Arizona Retaliatory Guide*, which describes the specific calculations and entries insurers from each domicile are expected to make on the retaliation portion of their Arizona insurance premium tax filings.

§ 20-1566 Taxation of Title Insurers

The provisions of § 20-230 shall operate to require foreign title insurers to pay only the amount of net premium tax that is in excess of the net income tax actually paid to Arizona for the same calendar year by the title insurer.

Retaliatory Law (cont.)

AAC R20-6-205 Local or Regional Retaliatory Tax Information

For each foreign country or other state having one or more local or regional tax on Arizona domestic insurers, the department of insurance shall calculate on a statewide or foreign countrywide basis an addition to the rate of tax. The department shall compute the rate of tax payable by Arizona life insurers separately from the rate of tax payable by other Arizona insurers. The addition to the rate of tax payable by each category of Arizona domestic insurers shall be the quotient of the aggregate local or regional taxes reported as paid to the foreign country or other state by domestic insurers in each category for the calendar year covered by the premium tax and fees report divided by the aggregate statewide or foreign countrywide premiums taxed under the premium taxing statute of the other state or foreign country reported by domestic insurers in each category for the calendar year covered by the premium tax and fees report. Each foreign or alien insurer domiciled in a foreign country or other state for which the department publishes an addition to the rate of tax shall include in the “State or Country of Incorporation” column of its retaliatory taxes and fees worksheet for the calendar year covered by its premium tax and fees report an amount equal to the total premiums received in Arizona that would be taxed under the laws of the domiciliary jurisdiction, as reported in the “State or Country of Incorporation” column of its premium tax and fees report multiplied by the applicable addition to the rate of tax published by the department for the calendar year covered by the insurer's premium tax and fees report.

FEES

§ 20-167(A)

Fees are nonrefundable upon receipt.

§ 20-167(E)

Fees are subject to revision effective July 1 if prior fiscal-year fees are not between 95% and 110% of the current fiscal year appropriated budget. *Successive session laws since 2005 have suspended changes to the fee schedule.*

Insurers' Fees:

§§ 20-167(A); 10-122; 20-159

| Fee Category | Fees effective through June 30, 2023 |
|--|--------------------------------------|
| Certificate of authority issuance (UCAA expansion applications): | |
| Fraternal benefit society | \$30 |
| Medical or hospital service corporation, prepaid dental, health care services organization, or domestic benefit insurer | 75 |
| Mechanical reimbursement reinsurer | 300 |
| All other insurers | 195 |
| Original charter documents, articles of incorporation, bylaws, record of organization | 75 |
| Articles of incorporation and all amendments (not applicable to reciprocal insurance exchanges): <i>Filed with the Arizona Corporation Commission</i> Both ARS §§ 20-167(A) and 20-122(A) apply | 175 |
| Insurance Examiners' Revolving Fund deposit (refunded upon termination of the certificate of authority). ARS § 20-159(E) | 100 |
| Certificate of authority issuance (UCAA amendment applications): | |
| Fraternal benefit society | 30 |
| Medical or hospital service corporation, prepaid dental, health care services organization, or domestic benefit insurer | 75 |
| Mechanical reimbursement reinsurer | 300 |
| All other insurers | 195 |
| Amended charter document filing | 30 |
| Articles of incorporation and all amendments (not applicable to reciprocal insurance exchanges): <i>Filed with the Arizona Corporation Commission</i> | 175 |
| Certificate of authority renewal: | |
| Fraternal benefit society | 30 |
| Medical or hospital service corporations, prepaid dental, health care services organization, or domestic benefit insurer | 75 |
| Domestic stock life and disability insurers, only or either | 1,500 |
| Domestic life, disability, or life and disability reinsurer | 4,500 |
| Unaffiliated credit life and disability reinsurer | 4,500 |
| Mechanical reimbursement reinsurer | 4,500 |
| All other insurers | 135 |
| Annual statement filing: | |
| Exempt insurer transacting life/disability or annuity business per § 20-401.05 | 87.50 |
| All others | 300 |

Insurers’ Fees (cont.)

Appointments and terminations, § 20-230(A)

Arizona does not charge fees for appointments or terminations. Insurers domiciled in states that charge appointment fees, appointment renewal fees or termination fees must report for retaliation purposes the number of Arizona-licensed insurance producers the insurer began utilizing, continued to utilize or ceased utilizing during the year, and must include in the insurer’s retaliation calculation the fees that the insurer’s domicile would have charged an Arizona insurer for the appointments, appointment renewals and appointment terminations for those insurance producers.

Captive insurers, AAC R20-6-2002

| Fee Category | Fees effective through June 30, 2023 |
|---|--------------------------------------|
| Captive insurer certificate of authority issuance: | |
| Captive insurer | \$1,000 |
| Additional fee for each protected-cell participant contract | 1,000 |
| Captive insurer certificate of authority renewal: | |
| Captive insurer | 5,500 |
| Additional fee for each protected-cell participant contract | 2,500 |
| Captive insurer certificate of authority amendment | 200 |

Producer Licensing Fees:

Licensee is responsible for payment, but anyone (including an insurer) is allowed to pay the fee for the licensee. Insurers domiciled in states that *require* the insurer to pay producer license and renewal fees must include the product of the number of Arizona-licensed insurance producers authorized to offer the insurer's products in Arizona times the license/renewal fee that the insurer's domicile would charge.

| Fee Category | Fees effective through June 30, 2023 |
|---|--------------------------------------|
| Licenses for insurance professionals: | |
| Surplus lines broker's license, license term of 2 to 4 years §§ 20-167(A)(10)(a), 20-411(F) | \$1,000 |
| Surplus lines broker's license, license term of less than 2 years §§ 20-167(A)(10)(a), 20-411(F) | 500 |
| Life settlement broker's license, license term of 2 to 4 years § 20-3202(F) | 500 |
| Life settlement broker's license, license term of less than 2 years § 20-3202(F) | 250 |
| All other licenses, quadrennially § 20-167(A)(10)(a) | 120 |
| Authority to sell insurance using mechanical vending machines § 20-167(A)(4) | 60 |
| Late renewal fee § 20-289(E) | 100 |
| Fingerprint card processing fee (applicable to Arizona residents and non-resident adjusters whose home state does not issue adjuster licenses) § 41-1750(L)* *Subject to change at any time by the Federal Bureau of Investigation. | 22 |
| Letter of certification/clearance § 20-167(A)(11) | 3 |

Pre-license examinations:

The State of Arizona has contracted with Prometric (www.prometric.com/Arizona) to administer insurance examinations to prospective license candidates. The fees for prelicense examinations are payable directly to Prometric. § 20-167(E).

Producer Licensing Fees (cont.)

Miscellaneous:

| Statute and Description of Fee | Fees effective through June 30, 2023 |
|---|---|
| Certificate of registration as an administrator § 20-167(A)(3) | \$195 |
| Service company permit § 20-167(A)(5) | 300 |
| Application for motor vehicle service contract program approval § 20-167(A)(6) | 300 |
| Life care contract application or annual report § 20-167(A)(7) | 450 |
| Fee accompanying service of process upon director § 20-167(A)(11) | 15 |
| Certificate of director, under seal § 20-167(A)(11) | 3 |
| Copy of document filed in director's office, per page, noncommercial § 20-167(A)(11) | 0.60 |
| Copy of filed document, commercial purpose, per page § 39-121.03(A) | 1.55 |
| Life settlement provider certificate of authority (perpetual) § 20-3202(B) | 1,000 |

DEPOSITS

| Citation | Requirements for Domestic Insurers | Requirements for Foreign Insurers |
|---|--|--|
| § 20-213 All Insurers Except as Otherwise Specified | <p>Amount: \$500,000 certified by official in possession of assets.</p> <p>Stock insurer: Cash or securities in an amount not less than the minimum required capital stock.</p> <p>Mutual or reciprocal insurer: Not less than the minimum required basic surplus.</p> <p>Life and disability insurer: Cash, surety bonds, or securities equal to the greatest of minimum required capital stock or minimum required basic surplus, 2/3 of the aggregate reserves, or 25% of the earned premium of the prior year.</p> | In lieu of deposit, director shall accept proper certificate from any other state that like deposit is being maintained. |
| § 20-828 Service Corporation | <p>Amount: \$200,000 if newly formed; in each succeeding year, an additional 2% of the gross subscriptions collected during the preceding year until deposit reaches \$500,000.</p> <p>Form: Certificate of deposit or eligible book-entry securities.</p> | No provision |
| § 20-1005 Prepaid Dental Plan Organization | <p>Amount:</p> <p>5,000 or fewer members: \$25,000 5,001 to 7,500 members: \$30,000 7,501 to 10,000 members: \$50,000 10,001 to 15,000 members: \$75,000 15,001 to 20,000 members: \$100,000 20,001 to 25,000 members: \$125,000 25,001 to 30,000 members: \$150,000 30,001 to 40,000 members: \$175,000 Over 40,000 members: \$200,000</p> <p>Does not apply when funded by a federal, state or municipal government or political subdivision or body with evidence of operational commitments equivalent to the required deposit.</p> | Same as for domestics |
| § 20-1097.03 Prepaid Legal | <p>Amount: \$500,000</p> <p>Cash, eligible securities or surety bond.</p> | No provision |
| § 20-1563 Title | <p>Amount: \$250,000 plus \$50,000 for each state or territory other than state of domicile in which it shall be qualified to engage in business, up to \$750,000.</p> | Same as for domestics |
| § 20-1722 Health care insurers | <p>Amount: \$300,000</p> | No provision |

CONTACT PERSON

Forms and Instructions for Insurance Premium Taxes, Tax/Fee Retaliation, Credits

Loretta Moncibaez, Tax Revenue Auditor
(602) 364-3246; loretta.moncibaez@difi.az.gov

Insurer Admission Application Requirements, Fees and Deposits; Certificate of Authority
Amendment Requirements; Charter File Amendments; Trust Deposit Procedures and Forms

Cary Cook, Assistant Financial Compliance Officer
(602) 364-3986, cary.cook@difi.az.gov

Annual Statement Filing Instructions and Fees

Tony McCormack, Insurance Compliance Analyst
(602) 364-3245; tony.mccormack@difi.az.gov

Insurer Assessments

Mary Jordan, Business Services Supervisor
(602) 364-2459, mary.jordan@difi.az.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

ARKANSAS

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Ark. Code Ann. §§ 26-57-603; 26-57-604

Total direct premium including policy, membership and other fees minus dividends and similar returns paid or credited to policyholders other than as to life insurance, returned premiums, and other reductions. Considerations for annuity contracts shall not be included and are not subject to tax. Wet marine and foreign trade insurance are taxed differently.

Tax Rate:

§ 26-57-603(d)

Authorized and Unauthorized Carriers, Domestic, Alien, and Foreign 2.5%

§ 23-94-210(b)

Risk retention groups 4%

§ 26-57-603(f)(1)

Risk-Based Provider Organizations 2.5% of global payments

Other Taxes and Assessments:

§ 23-63-1614 Captive Insurers

Direct written premiums:

0.250% on the first \$20 million
0.150% on the next \$20 million
0.050% on each dollar thereafter.

Reinsurance:

0.225% on the first \$20 million of assumed reinsurance premiums
0.150% on the next \$20 million
0.050% on the next \$20 million
0.025% on each dollar thereafter.

Total tax paid by a captive insurance company shall not exceed \$100,000 in any year. Minimum tax is \$5,000. Captive insurance companies under common ownership and control are taxed as if single captive insurance company as defined by § 23-64-1614(g).

Other Taxes and Assessments (cont.)

§ 26-57-605(b) Wet Marine and Foreign Trade Tax

0.75% of gross underwriting profit instead of premium tax.

§§ 26-54-101 to 26-54-114 Corporate Franchise Tax

| | |
|--|-------|
| Life, fire, accident, surety, liability, steam boiler, tornado, health, or other insurer | |
| if capital stock of less than \$500,000 | \$300 |
| if capital stock of \$500,000 or more | 400 |
| Legal reserve mutual insurance corporation | |
| if assets of less than \$100,000,000 | 300 |
| if assets of \$100,000,000 or more | 400 |
| Mutual assessment insurance corporation..... | 300 |

Franchise tax paid to Arkansas Secretary of State May 1.

→ §§ 26-51-205; 26-51-303 Corporation Income Tax

Domestic life and health insurance companies, farmers or/other mutual hail, cyclone or fire insurance companies, fraternal benefit societies, and foreign insurers are exempt from taxation under this provision. Other insurers pay on entire net income on the following basis:

| | |
|----------------------------------|------|
| First \$3,000 net taxable income | 1% |
| Next \$3,000 net taxable income | 2% |
| Next \$5,000 net taxable income | 3% |
| Next \$14,000 net taxable income | 5% |
| Net income in excess of \$25,000 | 5.9% |

For the tax year beginning January 1, 2023, net income in excess of \$25,000 will be taxed at 5.3%.

Other Taxes and Assessments (cont.)

§ 23-61-703; Ins. Rule & Reg. 56 The State Insurance Department Trust Fund Fee, The Company Financial Regulatory Fee (“CFRF”)

All licensed insurers, including reinsurers and stock and mutual companies, HMOs, fraternal, hospital and medical service corporations, stipulated premium insurers and farmers’ mutual aid associations shall pay the Companies Financial Regulation Fee (CFRF) based on direct premiums and co-payments written in Arkansas during preceding year. Excludes surplus lines insurers, risk retention groups, purchasing groups and auto clubs. Due June 1st or on date established by rule of commissioner.

| Direct Written Premium | Fee |
|------------------------|--------|
| \$0 | \$500 |
| 1–499,999 | 750 |
| 500,000–2,499,999 | 1,000 |
| 2,500,000–4,999,999 | 2,500 |
| 5,000,000–7,499,999 | 5,000 |
| 7,500,000–9,999,999 | 7,500 |
| 10,000,000–19,999,999 | 10,000 |
| 20,000,000–29,999,999 | 12,000 |
| 30,000,000–49,999,999 | 15,000 |
| 50,000,000–74,999,999 | 17,500 |
| 75,000,000–99,999,999 | 20,000 |
| 100,000,000+ | 25,000 |

In no event shall the annual financial regulatory CFRF fee, imposed in this section and imposed to support the maintenance and operation of the Arkansas Insurance Department exceed \$25,000 for any one insurer or reinsurer in any one year.

§ 23-100-104 The State Insurance Department Criminal Investigation Division (CID) Antifraud Assessment under Insurance Department Rule and Regulation No. 5

All licensed insurers, including stock and mutual insurance companies, reinsurers, health maintenance organizations, fraternal benefit societies, hospital and medical service corporations, stipulated premium insurers, farmers’ mutual aid associations and prepaid legal insurers pay an assessment, which shall be based on the direct premiums and annuity considerations from or in the state of Arkansas. Approved but nonadmitted surplus line insurers and registered risk retention groups are exempt. Assessment is due by June 1. Pursuant to § 23-100-102(a)(2), failure to pay in a timely manner subjects the entity to a \$100 a day penalty; for good cause shown, the commissioner may grant an extension of time to pay the assessment.

(cont.)

Other Taxes and Assessments (cont.)

§ 23-100-104 The State Insurance Department Criminal Investigation Division (CID) Antifraud Assessment under Insurance Department Rule and Regulation No. 5 (cont.)

The antifraud assessment shall be determined and paid in accordance with the following schedule:

| Arkansas Antifraud Premiums Assessment | |
|---|-------|
| \$0–\$2,499,999 | \$400 |
| 2,500,000–4,999,999 | 600 |
| 5,000,000–7,499,999 | 650 |
| 7,500,000–9,999,999 | 700 |
| 10,000,000–19,999,999 | 750 |
| 20,000,000–29,999,999 | 800 |
| 30,000,000–49,999,999 | 850 |
| 50,000,000–74,999,999 | 900 |
| 75,000,000–99,999,999 | 950 |
| 100,000,000+ | 1,000 |

§ 23-75-119(a) Hospital and Medical Service Corporations’ Privilege Tax On Premiums

The tax rate is 2.5% of net direct written premiums for the year ending Dec. 31 payable annually on Mar. 1.

→ § 23-88-306 Arkansas Rural Risk Underwriting Association

Insurers writing property insurance may be assessed up to 2% of premium to cover losses of the association. In addition, the commissioner shall make a yearly assessment, if needed, of up to \$200 per insurer to cover the costs of mailing of fire department renewal notices. An assessment is required for the year 2022 and is due by December 31, 2022. AID Bulletin No. 13-2022 (9.27.2022)

§ 26-57-614(b) Fire Protection Premium Tax Fund

Additional 0.5% premium tax on net direct written premiums for coverages upon real and personal property including fire, allied lines, farm owner and homeowner multiple peril, vehicle physical damage, vehicle collision, or any combination thereof. Collected in same manner and at same time as regular premium tax. Also applies to formerly authorized insurers with direct premiums written in Arkansas.

Other Taxes and Assessments (cont.)

§§ 11-9-303; 11-9-306; 26-57-603; 26-57-604 Workers' Compensation Insurance Tax

Each carrier writing compensation insurance shall pay an additional tax not to exceed 3% for workers' compensation insurance written in the state, in addition to the primary 2.5% premium tax. The Arkansas Workers' Compensation Commission ("AWCC") shall set the rate yearly. The tax shall be collected by and remitted to the AWCC by or before Mar. 1 or as specified by AWCC. Contact the Workers' Compensation Commission at <http://www.awcc.state.ar.us/> for the rates on the Workers Compensation Administrative Fund, the Second Injury Trust Fund, and the Death and Permanent Disability Trust Fund.

§ 23-90-112 Property and Casualty Guaranty Fund Assessment

The guaranty fund may assess up to 2% of each insurers' net direct written premiums for preceding calendar year. Fund authorized to assess for administrative expenses, as well as insolvent insurer claims and expenses.

§ 23-96-115 Life and Health Guaranty Association Assessment

The Board of Directors of the Arkansas Life and Health Insurance Guaranty Association shall assess the member insurers up to 2% net direct premiums written for preceding calendar year for such amounts as the Board finds necessary to meet administrative and legal costs and costs related to an impaired or insolvent insurer.

§ 26-57-602 Preemption

No political subdivision (city, town, school district, county or municipality) may levy a privilege tax or license fee upon any such insurer or its agents for the privilege of transacting the business of insurance.

Exclusions and Deductions:

§ 23-75-120 Hospital and Medical Service Corporations

Hospital and Medical Service Corporations are exempt from state, county, district, municipal and school taxes explicitly as they are statutorily-formed non-profit and benevolent institutions; but are subject to taxes on direct written premiums under §§ 23-75-119 and 26-57-601 et seq., applicable fees, and taxes on real and tangible property.

§ 23-74-504 Fraternal Benefit Societies

Fraternal Benefit Societies as statutorily-formed non-profit entities are not subject to state, county, municipal or school tax other than to taxes on real estate.

7 U.S.C.A. §§ 1501 to 1524 Federal Crop Insurance

Arkansas does not collect tax on federally reinsured crop insurance premiums under federal crop insurance.

Credits:

§§ 26-57-604; 23-76-131; 23-75-120 Life and/or Health Insurers and Health Maintenance Organization Salary Offset

Each authorized life or accident and health insurer, including an HMO and hospital or medical service corporations, may take a credit for noncommissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% tax on life and health insurance premiums. (See § 23-76-131(b)(1) for salary credit for employees of HMO.)

An employee must be a noncommissioned hire and have been employed a minimum of six months during the tax year being reported for the wages to qualify for the life or accident and health premium tax credit.

The offset may not reduce tax due on accident and health premiums by more than 80%; for tax years beginning before January 1, 2021, by more than 70% for the tax year beginning January 1, 2021, by 60% for the tax year beginning January 1, 2022, and 50% for tax years beginning on and after January 1, 2023.

Beginning January 1, 2020, an authorized accident or health insurer shall not receive a credit under this subsection that exceeds an annual total of \$18 million.

The offset may not reduce taxes due on life premiums by more than 70%.

Any unused premium tax credit may be carried forward for a maximum of 5 consecutive taxable years for credit against the premium tax.

→ §§ 15-5-1303 and 15-5-1304 Affordable Neighborhood Housing Tax Credit

Insurers that perform verified affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Any amount of credit that exceeds the tax due for a taxable year may be carried forward to any of the 5 subsequent taxable years. Program must meet standards of and be approved by Arkansas Development Finance Authority.

§ 26-51-1702 Low-Income Housing Tax Credit

Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which an eligibility statement has been issued by the Arkansas Development Finance Authority.

→ § 26-51-511 Coal Mining Enterprises

A coal mining enterprise receives a tax credit based on the tons of coal mined in Arkansas. This tax credit may be transferred to Arkansas captive insurance companies and hospital or medical services corporations. Coal mining enterprises or eligible transferees are eligible for a tax credit if the coal was sold to an electric generation plant for less than \$40 per ton excluding freight charges. The credit allowed under this section shall expire after 5 years following the tax year in which the tax credit was earned.

Credits (cont.)

§ 26-57-615 Domiciled Insurers' Credit for Fees Payable to Other Jurisdictions

Arkansas insurers may take a credit for the difference between the home state amount and the Arkansas amount for any retaliatory fee assessed a domestic Arkansas insurer by another state under nonresident licensure because of the Arkansas financial regulatory fee (CFRF), contained in the State Insurance Department Trust Fund Act of 1993, either because the other state has a lower fee or because the other state has no comparable fee. The credit is calculated on the amount that would not have to be paid in the other state in the absence of (but for the imposition of) the Arkansas financial regulatory fee, CFRF. The maximum tax credit is 90% of the annual premium tax at the 2.5% rate.

§ 23-96-115 Life and Health Guaranty Association

Insurers may take a credit for assessments paid, other than for administrative costs, at a rate of 20% per year for five years beginning the year after the assessment was paid.

§ 23-90-119 Property and Casualty Guaranty Fund

Fund assessments of insurers may be taken as a credit against premium taxes at a rate of 20% per year for five years following the date of assessment. Balance of any assessment paid and not claimed as a tax credit may be reflected in the books and records of the insurer as an admitted asset for all purposes, including annual statements. Any insurer which neglects to take 20% credit during the year allowable will not be allowed to carry over the credit for the following year or years.

§§ 15-4-3601 to 15-4-3614 New Markets Jobs Act

Arkansas taxpayers may earn a credit against the gross premiums tax for a qualified equity investment as defined by § 15-4-3602. Taxpayers claiming the credit are not subject to the retaliatory tax as a result of the credit. The credit cannot exceed the premium tax liability and may be carried forward for nine years. The credit may be passed through to partners, members or shareholders. (*See* Economic Development Commission Rule 22, effective April 22, 2013.)

→ §§ 26-51-2201 to 26-51-2208 Arkansas Historic Rehabilitation Income Tax Credit

The Department of Arkansas Heritage will begin accepting applications for the historic rehabilitation income tax and premium tax credits beginning January 1, 2009, and ending on December 31, 2037. The credit is equal to 25% of the total qualified rehabilitation expenses incurred by the owner to complete a certified rehabilitation.

The Division of Arkansas Heritage shall only issue Arkansas historic rehabilitation income tax credits for up to \$4 million in any one fiscal year. Beginning fiscal year 2022, the division shall only issue Arkansas historic rehabilitation income tax credits for up to \$8 million in any one fiscal year.

Credits (cont.)

§§ 26-51-2201 to 26-51-2208 Arkansas Historic Rehabilitation Income Tax Credit (cont.)

The credit is only allowed one time in a two-year period for each eligible property. The amount of credit can equal but not exceed the amount of premium tax due for the taxable year. Unused credits may be carried forward for up to five consecutive years and may be sold or transferred in whole or in part at any time. (*See* Division of Arkansas Heritage, Rules Governing the Arkansas Historic Rehabilitation Income Tax Credit Program.)

§§ 26-51-2601 to 26-51-2607 Arkansas Major Historic Rehabilitation Income Tax Credit

The Department of Arkansas Heritage will begin accepting applications for the major historic rehabilitation income tax and premium tax credits beginning July 1, 2020, and ending on June 30, 2025. The credit is equal to 25% of the total qualified rehabilitation expenses incurred by the owner to complete a certified rehabilitation. The credit is only allowed one time in a two-year period for each eligible property. The amount of credit can equal but not exceed the amount of premium tax due for the taxable year. Unused credits may be carried forward for up to five consecutive years and may be sold or transferred in whole or in part at any time. (*See* Division of Arkansas Heritage, Rules Governing the Arkansas Major Historic Rehabilitation Income Tax Credit Act.)

Payment Due Dates:

§§ 26-57-603; 26-57-612; 26-57-614; Bulletin 13-87

Annual return and total premium tax payment from the previous calendar year are due on or before Mar. 1 of the following year. Quarterly estimated payments (first three quarters only and due 45 days after the quarter being reported) are based on a 2.5% tax rate on net premiums and are required if the total estimated amount due is over \$25. The fire protection tax shall be separately specified. The taxes shall be reconciled annually at the time of filing the annual report.

Penalties:

§ 26-57-607

\$100 for each day of delinquency for failure to file tax report or to pay tax or regulatory fee when due. Commissioner may suspend or revoke certificate of authority for failure to pay the tax or regulatory fee by the due date.

§ 23-64-507(c)

An individual insurance producer who allows his or her license to lapse may reinstate the same license within 12 months after the due date of the renewal fee without the necessity of passing a written examination. However, a penalty in the amount of double the unpaid renewal fee shall be required for any renewal fee received after the due date.

Extensions:

§§ 26-57-607; 23-61-704

May be granted by the commissioner for good cause upon the insurer's request.

Retaliatory Law:

→ § 23-63-102

The same taxes, licenses, and other fees, in the aggregate, and the same fines, penalties, deposit requirements or other material requirements, obligation, prohibitions, or restrictions that are imposed upon an Arkansas insurer by another state, will be imposed as a retaliatory tax or fee upon insurers of that state. Pursuant to Act 1965 of 2005, this section no longer applies to application fees, examination fees, license fees, appointment fees, and continuation fees for agents, adjusters, services representatives or consultants, or to personal income taxes, ad valorem taxes on real or personal property, or to special purpose obligations, fees, or assessments imposed by the other state in connection with particular kinds of insurance, other than property insurance. Deductions from premium taxes or other taxes allowed because of real estate or personal property taxes paid will be considered in determining the extent of retaliatory action under this section. This section shall not apply to any foreign insurer if more than 15% of its capital stock is owned by a corporation organized under the laws of this state and domiciled within this state.

§ 23-63-116

A domestic property and casualty insurer that pays any other state or foreign country a tax, fine, penalty, deposit requirement or other material requirement, or any other fee that is determined by the insurance commissioner to be a retaliatory tax is entitled to a reduction or credit upon its gross premiums tax in the same amount paid to the other state or foreign country. This section does not apply to any of the following imposed by another state:

- (1) An application fee, examination fee, license fee, appointment fee, or a continuation fee for an agent, adjuster, service representative, or consultant of a domestic property and casualty insurer; or
- (2) An ad valorem tax on real or personal property or special purpose obligations, fees, or assessments.

FEES

- All fees and taxes listed on the premium tax return are aggregated. The following list is not comprehensive. Contact the Arkansas Insurance Department for specific topics. The following list of fees may not be up to date; therefore, the following fees shall mean those fees and amounts which are actively in effect pursuant to a statute, rule or bulletin creating the fee. Please review the statute and rule based fee type for the most updated amount.
- Insurers’ Fees:
- §§ 23-61-401; 23-61-706 to 23-61-708; 23-76-127; 23-62-104; 23-76-101; 23-63-501; 23-77-101; 23-94-201; 23-67-201; 23-92-201; 23-96-101; 23-96-102; 23-64-501; Arkansas Insurance Department Rule 15; 23; 56 and 57

CATEGORY “A” FEES
(Maximum \$1500) (Per covered entity, filing, or transaction)

Authorized or licensed insurers:

| | |
|---|---------|
| Department expense for independent actuarial review of previously disapproved rate/rule filing set for hearing at filer’s request (excluding workers’ compensation which is not subject to a monetary cap) | |
| Expense as incurred but not to exceed..... | \$1,500 |
| Filing and review of each bulk or assumption reinsurance agreement..... | 500 |
| Filing and review of all documents necessary for issuance of certificate of incorporation for domestic insurers | 500 |
| [Note: Combined with \$100 fee in § 23-61-401(1)(A), total fee due is \$600.] | |
| Reviewing all documents necessary for issuance of original certificate of authority for all companies | 500 |
| [Note: Combined with \$500 fee in § 23-61-401(1)(C), total fee due is \$1,000.] | |
| Filing notice of appointment of managing general agent/agency or notice of termination of managing general agent/agency | 500 |
| Review/processing of information necessary to amend an Arkansas certificate of authority excluding FMAAs..... | 400 |
| [Note: Combined with \$100 fee in § 23-61-401(3)(C) for insurers and § 23-76-127(5) for HMOs, total fee due is \$500.] | |
| Filing and review of independent rate filings, initial filing to adopt an advisory organization’s reference filing for loss costs, or filing to change the loss cost multiplier already on file, including companion rule filings required to implement the rate filings (P, C, S, M) | 100 |
| [Note: “P, C, S, M” signifies property, casualty (including workers’ compensation), surety and marine insurance and all other specific lines identified at §§ 23-62-104 through 23-62-108.] | |
| Filing to adopt an advisory organization’s reference for loss costs with no changes to company’s loss cost multiplier already on file, including companion rule filing required to implement the new loss cost filing..... | 50 |
| Issuance of an original certificate of incorporation for domestic insurers | 150 |
| [Note: Combined with \$50 fee in § 23-61-401(1)(B), total fee due is \$200.] | |
| Issuance of original certificate of authority for all companies | 150 |
| [Note: Combined with \$150 fee in § 23-61-401(1)(D), total fee due is \$300.] | |
| Review and processing of amended articles of incorporation (per filing, per insurer) | 75 |
| [Note: Combined with \$25 fee in § 23-61-401(3)(A), total fee due is \$100.] | |

Insurers’ Fees (cont.)

§§ 23-61-401; 23-61-706 to 23-61-708; 23-76-127; 23-62-104; 23-76-101; 23-63-501; 23-77-101; 23-94-201; 23-67-201; 23-92-201; 23-96-101; 23-96-102; 23-64-501; Arkansas Insurance Department Rule 15; 23; 56 and 57 (cont.)

CATEGORY “A” FEES (cont.)

Authorized or licensed insurers (cont.)

| | |
|--|-------|
| Review and processing of information necessary to amend an Arkansas certificate of authority for an FMAA..... | \$150 |
| Review any corrective action plan filed by a licensee up to | 1,500 |
| Review of custodial agreements for broker dealers & banks under Ins. Rule & Reg. 26 | 250 |
| Review and processing application for viatical settlement provider license and issuance of initial and renewal license | 500 |
| Approved non-admitted surplus line insurer | |
| Annual continuation of foreign surplus line company registration..... | 500 |
| Accredited/trusted reinsurer initial registration and annual renewal for accredited or trusted status | 500 |

CATEGORY “B” FEES

(Maximum \$50) (Per covered entity, filing, or transaction)

Compliance:

| | |
|--|----|
| Filing or review of property and casualty policy/contract, endorsements or certificates, riders, applications, or annuity forms, per submission (not per form)..... | 50 |
| [Note: A service purchaser of an advisory organization must file the purchased form for review.] | |
| Filing/review of each life and/or disability rate filing or loss ratio guarantee filing (per form) | 50 |
| Filing of an independent rule filing or to adopt a reference or item filing of advisory organization, excluding loss cost reference filing (per item)..... | 50 |
| Filing each set of new/amended or restated by-laws (per insurer, per filing) | 50 |
| Filing/review of life and/or disability insurer’s advertisements (per advertisement, per insurer)..... | 50 |
| Policy, contract or annuity forms: filing and review of each life and/or disability certificate rider, application, or endorsement, if filed separately from basic form (per insurer)..... | 50 |
| Policy and contract forms (all lines): filing corrections in previously filed policy and contract forms..... | 50 |
| Filing of each insurer address change, not involving an amendment to a certificate of authority or articles of incorporation (per filing, per insurer)..... | 50 |
| Filing of department Form I-71 as to cancellation/nonrenewal of all appointed insurance agents and agencies after a name change or after merger or consolidation of two or more insurers | 10 |
| Filing of each individual department Form I-71 as to cancellation/nonrenewal of agent appointments (per appointment, per insurer) | 10 |
| Preparation and execution of certificates of compliance for insurers..... | 15 |
| [Note: Combined with \$5 fee in § 23-61-401(14)(B), total fee due is \$20.] | |
| Filing Form I-48 for all appointed insurance agents and agencies in the new name of an insurer after a name change or after merger or consolidation of two or more insurers | 10 |

Insurers’ Fees (cont.)

CATEGORY “B” FEES (cont.)

Insurers’ appointments of insurance agents and agencies. In addition to and as an increase of all other current agent license fees paid by insurers and others in connection with initial and renewal agent appointments under the Insurance Code or other applicable laws or rules, the following additional fees are hereby assessed insurers.

Ins. Rule & Reg. 57

Producer and agencies:

| | |
|--|------|
| Initial appointment of nonresident insurance agent..... | \$60 |
| Initial appointment of nonresident agency, including one qualifying individual..... | 60 |
| Annual fee for insurer’s continuing appointment of nonresident insurance agent..... | 60 |
| Annual fee for insurer’s continuing appointment of nonresident agency, including one qualifying individual..... | 60 |
| Initial appointment and annual continuation of resident agent, individuals only, for full line appointments (life, disability and multi-line)..... | 10 |
| Initial appointment and annual continuation of each resident agent, individuals only, for limited line appointments..... | 10 |
| Initial appointment and annual continuation of each resident agency, including one qualifying individual, for full line appointments (life, disability and multi-line)..... | 10 |
| Initial appointment and annual continuation of each resident agency, including one qualifying individual, for limited line appointments..... | 10 |
| Pre-licensing Electronic Education Fee, per hour of instruction..... | 1 |
| (§ 26 of this Rule addresses the duration of this fee.) | |

§ 23-76-127; Ins. Rule & Reg. 57

Health maintenance organizations:

| | |
|--|-----|
| Filing pre-acquisition notification for mergers/charter sales and bulk reinsurance agreements Category A fee..... | 100 |
| Filing and review of provider contracts (per HMO, per contract form) Category B fee..... | 50 |
| Filing/review of enrollee’s certificate Category B fee..... | 50 |

§§ 23-63-501 to 23-63-532; Ins. Rule & Reg. 15; 57

Insurance holding company transactions:

(Fees below are per each holding company, not per each licensed insurer.)

All Category A Fees

| | |
|---|-------|
| Filing and review of each Form A on acquisitions/change in control (domestics only)..... | 1,000 |
| Filing and review of each request for exemption from filing of registration statements or amendments (Form B) (foreign & alien companies)..... | 100 |
| Filing/review of holding company registration statement (Forms B and C) (all companies)..... | 100 |
| Filing and review of amendments to holding company registration statements, including annual re-filing (Form B) (all companies)..... | 50 |

Insurers' Fees (cont.)

CATEGORY "B" FEES (cont.)

Insurance holding company transactions (cont.)

| | |
|---|-------|
| Filing pre-acquisition notifications (Form E) or requests for exemptions therefrom per §§ 23-63-525 to 23-63-530..... | \$100 |
| Filing and review of registration statements—material transactions with affiliates (Form D) (domestics)..... | 100 |

§§ 23-77-101 to 23-77-109; Ins. Rule & Reg. 57

Automobile clubs or associations:

| | |
|---|-----|
| Filing annual financial statement (April 1) Category A fee | 100 |
| Form filing Category B fee (per club, per form)..... | 50 |
| Review of all documents necessary for and issuance of certificate of authorization Category A fee | 250 |

§§ 23-94-201 to 23-94-215; Ins. Rule & Reg. 57

Risk retention groups:

| | |
|--|-----|
| Initial registration fee Category A fee | 250 |
| [Note: Combined with \$500 fee in § 23-61-401(1)(c) and the \$250 fee in Rule 57, total fee due is \$750.] | |
| Renewal registration fee (Mar. 1) Category A fee | 100 |
| Filing annual statement Category B fee | 50 |
| Filing and review of any information that changes any information required in the application for a certificate of registration..... | 100 |
| Filing/review of name change or address change Category B Fee..... | 25 |

Purchasing groups:

| | |
|--|-----|
| Initial registration fee Category A fee | 150 |
| Renewal registration fee (Mar. 1) Category A fee | 100 |

§§ 23-67-201 to 23-67-223; Ins. Rule & Reg. 23; 57

Rate service or advisory organizations:

All Category A Fees

| | |
|---|-------|
| Department expense for independent actuarial review of previously disapproved rate/rule filing set for hearing at the request of the advisory organization (excluding workers' compensation which is not subject to a monetary cap) | |
| Expense as incurred but not to exceed..... | 1,500 |
| Filing and review of loss cost filings per advisory organization (P, C, S, M)..... | 250 |
| Filing and review of a policy/contract, endorsement or certificate (P, C, S, M) (per item, maximum fee \$500)..... | 100 |
| Rule filings—filing minor rate component modifications | 50 |
| Review/issue renewal license (in addition to the renewal fee in § 23-61-401)..... | 100 |

Insurers’ Fees (cont.)

CATEGORY “B” FEES (cont.)

§§ 23-92-201 to 23-92-208; Ins. Rule & Reg. 57

Third party administrators:

All TPA applications for initial registration or renewal of registration, Category B fee \$40
 [Note: Combined with \$25 fee in § 23-92-203 and the \$35 administrative and regulatory fee in § 6, total fee due is \$100.]

Service contract providers:

Filing changes to the registration required § 114-104(c)(1) Category B fee..... 50

§§ 23-96-101; 23-96-201; Ins. Rule & Reg. 57

Continuing care facilities and life care providers:

Filing annual disclosure statement Category A fee
 (per statement, per facility/provider and/or appointing commissioner as agent for service of process) 100
 Filing and review of initial registration application Category A fee
 (per facility/provider)..... 250

Miscellaneous fees:

Category A fees

Department compilations to survey, questionnaire, report and data compilation requests
 (excluding government agencies) 250
 Filing and processing of security deposit releases/consolidations 75

Category B fees

Adding/deleting individual producers from agency licenses..... 10
 Filing substitute securities for security deposit releases, various licensees..... 50
 Service of process, two copies of each legal pleading or process, per insurer, other licensee,
 or other entity doing business in Arkansas under statutes requiring commissioner’s
 service duties (per transaction) 25
 Monies collected for checks issued to the department but returned to payor
 for insufficient funds..... 20
 Security deposit confirmations (per confirmation)..... 10
 Certificate for securities on deposit..... 10
 Certificate of documents..... 5
 [Note: Combined with \$5 fee in § 23-61-401(14)(B), total fee due is \$10.]
 Certificates of valuation 10
 Letters of clearance/certification (per license, per letter) 5
 Filing and review of name or address change for business entities..... 10
 Copy fee for all documents including FOIA requests (per copy)..... 0.25

Insurers' Fees (cont.)

CATEGORY "B" FEES (cont.)

§§ 23-96-101; 23-96-201; Ins. Rule & Reg. 57 (cont.)

Miscellaneous fees (cont.)

Information Systems Services electronic, hard copy or magnetic, fees not to exceed amounts below:

| Licensed company listings with agent appointments | <u>Paper</u> | <u>Disk/CD/Email</u> |
|---|--------------|----------------------|
| 1. Life & disability Cos. | \$240 | \$170 |
| 2. Property & casualty Cos. | 240 | 170 |
| 3. Single company Category B fee | 10 | 5 |

| Licensed company listings without producer appointments: | <u>Paper/Disk/CD/Email</u> |
|--|----------------------------|
| 1. All Companies | \$50 |
| Foreign | 45 |
| Domestics | 5 |
| 2. Life & Disability | 25 |
| Foreign | 20 |
| Domestics | 5 |
| 3. Property & Casualty | 25 |
| Foreign | 25 |
| Domestics | 5 |
| 4. Fraternal Benefit Societies | 5 |
| 5. Farmers Mutual Aid Assns. | 5 |
| 6. Title insurers | 5 |
| 7. MET's & MEWA's | 5 |
| 8. Third Party Administrators | 5 |
| 9. Purchasing Groups | 5 |
| 10. Risk Retention Groups | 5 |
| 11. Surplus Lines insurers | 5 |
| 12. Health Maintenance Orgs. | 5 |
| 13. Auto Clubs or Assns. | 5 |
| 14. Surety insurers | 5 |
| 15. Notary Bond Surety Cos. | 5 |
| 16. Workers' Comp. Ins. Cos. | 5 |
| 17. Employee Leasing Cos. | 5 |
| 18. Accredited/Trusted Reinsurers | 5 |
| 19. Life Settlement providers | 5 |

Insurers' Fees (cont.)

CATEGORY "B" FEES (cont.)

§§ 23-96-101; 23-96-201; Ins. Rule & Reg. 57 (cont.)

Miscellaneous fees (cont.)

Licensed agent listings with company appointments:

| | <u>Paper</u> | <u>Disk/CD/E-Mail</u> |
|---------------------------------|--------------|-----------------------|
| 1. Life & disability producer | \$240 | \$170 |
| 2. Property & casualty producer | 240 | 170 |
| 3. Single producer | 10 | 5 |

Licensed agent listings without company appointments:

| | <u>Paper</u> | <u>Disk/CD/E-Mail</u> |
|--------------------------------|--------------|-----------------------|
| 1. All agents | \$50 | \$50 |
| 2. Life & Disability agents | 30 | 20 |
| 3. Life agents | 15 | 15 |
| 4. Disability agents | 15 | 15 |
| 5. Multi-line agents | 30 | 20 |
| 6. Brokers | 10 | 10 |
| 7. Consultants | 5 | 5 |
| 8. RRG agents | 5 | 5 |
| 9. Purchasing Group brokers | 5 | 5 |
| 10. Adjusters | 5 | 5 |
| 11. Surplus Lines brokers | 5 | 5 |
| 12. Managing General Agents | 5 | 5 |
| 13. Reinsurance Intermediaries | 5 | 5 |
| 14. Life Settlement brokers | 5 | 5 |

Licensed agency listings with company appointments:

| | <u>Paper</u> | <u>Disk/CD/E-Mail</u> |
|--------------|--------------|-----------------------|
| All Agencies | \$240 | \$170 |

Licensed agency listings without company appointments:

| | <u>Paper</u> | <u>Disk/CD/E-Mail</u> |
|--------------|--------------|-----------------------|
| All Agencies | \$75 | \$50 |

If partial lists of licensees or licensees of a limited line or category are requested, the commissioner may charge a reasonable fee less than the foregoing amounts.

Large reports will only be done on CDs.

Reports on labels will be \$4 extra per 1,000.

Insurers' Fees (cont.)

CATEGORY "B" FEES (cont.)

§§ 23-96-101; 23-96-201; Ins. Rule & Reg. 57 (cont.)

Managing general agents/agencies:

Filing application for initial licensure and annual renewal Category A Fee \$500

Reinsurance intermediaries:

Filing initial application for license as reinsurance intermediary-manager..... 500

Filing initial application as reinsurance intermediary-broker..... 300

Annual renewal fee for reinsurance intermediary-manager 100

Annual renewal fee for reinsurance intermediary-broker..... 75

Designation of commissioner as agent for service of process
for non-resident manager or broker 75

Notary bond surety corporations:

Initial and/or annual renewal of registration as notary bond surety corporation
Category B fee..... \$50

Pre-licensing education:

Each original registration and/or annual renewal of a course provider for agent pre-licensing
education Category A fee..... 100

Continuing education:

Each original registration and/or annual renewal of a course provider for agent continuing
education Category A fee..... 100

DEPOSITS

§§ 23-63-205; 23-63-206

For domestic insurers, \$100,000 minimum, with an additional \$50,000 for surety insurers transacting additional lines.

For foreign insurers, \$100,000 minimum with an additional \$50,000 for surety insurers. However, if the deposit held in the home state of domicile is held for the benefit of policyholders and creditors, then foreign companies are exempt from placing a deposit in Arkansas.

An insurer applying for its original certificate of authority in Arkansas shall possess and maintain \$750,000 for life; accident and health; casualty; surety; mortgage guaranty; life and accident and health; property, casualty, surety, and marine; and any combination of other lines. An insurer applying for its original certificate of authority for marine or property shall maintain \$500,000. \$250,000 must be maintained for those seeking a certificate of authority for title. If a line is not specified for under Arkansas law, the minimum will be \$500,000.

Mortgage guarantee insurers and title insurers shall not be approved to write any other kind of insurance. Exempts insurer with one or both of these lines and other insurance lines of authority authorized on its certificate of authority as of Jan. 1, 2006, but the insurer shall not be allowed to add additional kinds of insurance to its certificates of authority after Jan. 1, 2006.

CONTACT PERSON

Accounting Division, Insurance Department

Mary Davis: (501) 682-7678

Criminal Investigation Division, Insurance Fraud assessments

(501) 371-2790

Legal Division, Fees and Rules

(501) 371-2820

Liquidation Division, Guaranty Fund Assessments

(501) 371-2776

Arkansas Development Finance Authority

(501) 682-5900

Arkansas Secretary of State, Corporate Franchise Tax

(501) 682-3409

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

CALIFORNIA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Cal. Const. Art. XIII, § 28; Cal. Rev. & Tax Code §§ 12101; 12221; 12231

The amount of gross premiums, less return premiums. Gross premium does not include premiums received for reinsurance and ocean marine insurance. In the case of title insurers the basis of the tax is all income upon business done in California, except interest and dividends, rents from real property, profits from the sale of investments, income from investments.

Tax Rate:

→ Rev. & Tax §§ 12202; 13210; Ins. § 1775.5

2.35% Life, health, property/casualty, title, annuities not funding federal qualified retirement plans, risk retention groups. Rate subject to change.

0.5% Qualified annuity

3% Surplus lines broker

[Note: Please see the Surplus Lines chart for further information.]

Other Taxes and Assessments:

Rev. & Tax § 12101 Ocean Marine Insurance

5% of underwriting profit, which the gross premiums of the insurer from ocean marine insurance written in California bear to the gross premiums of the insurer from ocean marine insurance written within the United States, instead of a tax on premium.

Ins. § 12975.9 Seismic Safety Account

Insurers are assessed on property exposure for both commercial and residential insurance to fund the seismic safety account. The assessment shall be set annually every Aug. 1, not to exceed fifteen cents (\$0.15) per earned property exposure.

Other Taxes and Assessments (cont.)

Ins. §§ 1872.8; 1872.83 Bureau of Fraudulent Claims

Insurers are also assessed an annual fee, not to exceed \$1 annually for each vehicle insured by them in the state to fund investigations and prosecution of claims fraud. This assessment is not included in the California retaliatory tax calculation.

10 Cal. Code Regs. (CCR) § 2698.71 Organized Automobile Fraud Activity Interdiction Program

Each insurer shall pay an annual fee of \$0.50 for each vehicle it insures under a policy of insurance issued in this state, to be paid in increments of \$0.125 for each quarter of a calendar year, but neither the amount nor the payment of the assessment shall be prorated. This assessment is not included in the California retaliatory tax calculation.

Lab. § 6354.7 Workers Occupational Safety and Health Education Fund

A fee is levied against each insurer for the purpose of establishing and maintaining a worker occupational safety and health training and education program. The fee assessed against each insurer shall not exceed the greater of \$100 or 0.0286% of paid workers' compensation claims for the previous year.

Ins. §§ 1063.5; 1063.14 Property and Casualty Guaranty Association

Association may assess no more than 2% of net direct premium written on each member to discharge the obligation of an insolvent. Recover assessment by surcharge on premiums which shall not be subject to premium tax.

Ins. § 1067.08 Life and Health Insurance Guaranty Association

Assessments may not exceed 2% of insurer's average premiums received during the three calendar years prior to insolvency.

Rev. & Tax § 12204

Premium tax is in lieu of all other taxes or fees which might be imposed by political subdivisions.

10 CCR § 2218.61 Health Care Benefits Fund

Each health insurer shall be assessed a dollar amount to be determined by the department of insurance and the department of managed care in consultation with the University of California and shall be limited to the amount necessary to fund the actual and necessary expenses of the university and its work in implementing the health and safety code. The total amount of assessment on health insurers and health care service plans when combined shall not exceed \$2,000,000 annually. The total assessment of health insurers shall not exceed 12.4% of the total annual assessment of health insurers and health care services plans combined.

Other Taxes and Assessments (cont.)

Ins. § 10127.17 Life and Annuity Consumer Protection Fund

Each admitted insurer shall pay a fee not to exceed \$1 for each individual life insurance policy and each individual annuity product issued to a California resident. If, as of June 30 of any calendar year the fund exceeds \$5 million the commissioner shall reduce the amount of the assessment the following year to eliminate that excess.

10 CCR § 2698.95 Disability Insurance

Each admitted disability insurer shall pay an annual fee of \$0.20 for each person that is covered by an individual or group disability insurance policy during each calendar year. Such assessment shall be paid by any other entity, doing business in California, which is liable for any loss due to health insurance fraud. Insurers shall report the number of insured persons that are covered by an individual or group disability policy to the commissioner by Dec. 31.

Exclusions and Deductions:

Ins. § 10993 Fraternal

Fraternal are exempt from the payment of premium taxes.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

California has agreed to follow the *Todd* decision and will not collect premium tax on federally reinsured crop insurance premiums.

Credits:

Rev. & Tax § 12206 Low-Income Housing

Insurers may take a credit against the premium tax for a low-income housing project. The amount of the credit allocated to any housing sponsor is based on the project's need for the credit for economic feasibility. The calculation of the amount of the credit is similar to the federal housing credit. The aggregate housing credit amount that may be allocated annually shall be \$70 million for 2001, and \$70 million for each calendar year thereafter, increased at the same percentage as the Consumer Price Index.

\$500 million for 2020 and up to \$500 million for 2021 and every year thereafter if the annual Budget Act specifies an amount to be available for allocation in that calendar year by the Tax Credit Allocation Committee. Tax Credit Allocation Committee shall accept applications for 2021 calendar year not sooner than 30 days after the California Debt Limit Allocation Committee have adopted rules and guidelines.

Credits (cont.)

Rev. & Tax § 12207 College Access Tax Credit

Insurers may take a credit against the premium tax for the taxable years beginning on or after Jan. 1, 2017, and before Jan. 1, 2023, an amount equal to 50% of the amount contributed by the taxpayer for the taxable year to the College Access Tax Credit Fund, as allocated and certified by the California Educational Facilities Authority. The aggregate amount of credit that may be allocated and certified pursuant to this section and Rev. & Tax §§ 17053.87 and 23687 shall be an amount equal to \$500,000,000.

Rev. & Tax § 12208 Pilot Project Insurance Tax Credit

There shall be allowed a credit against the tax an amount equal to the amount of the gross premiums due from the insurer on account of pilot project insurance for previously uninsured motorists. “Pilot project insurance for previously uninsured motorists” means motor vehicle liability insurance issued by an insurer to an insured who, at the time of the issuance, owned or operated a motor vehicle without proof of financial responsibility.

→ Rev. & Tax § 12209 Insurance Tax Credit Limitations

Notwithstanding Sections 12207 and 12208 to the contrary, for the years 2020 and 2021, the total amount of all credits otherwise allowable under Sections 12207 and 12208, including any credit amount allowed to be carried over pursuant to those sections, shall not reduce the annual tax by more than \$5,000,000 for a given year.

Section 12209(a) was amended to remove the tax credit limitation for the year 2022.

Payment Due Dates:

Rev. & Tax §§ 12251; 12253; 12254; 12281

Tax return due April 1. If premium tax liability the prior year was \$20,000 or more shall make prepayments of 25% of prior year’s tax on April 1, June 1, Sept. 1, and Dec. 1 of current calendar year. No prepayment required for ocean marine insurance profit or retaliatory tax.

Rev. & Tax § 12602(a) Electronic Funds Transfer

Every insurer whose annual taxes exceed \$20,000 shall make payment by electronic funds transfer.

10 CCR § 2330.1 Electronic Funds Transfer

Insurers and surplus line brokers whose annual taxes exceed \$20,000 are required to make payment by electronic funds transfer.

Penalties:

Rev. & Tax §§ 12258; 12631; 13220

If fail to make prepayment within time required, pay penalty of 10% of amount due plus interest. Failure to pay tax subject to penalty of 10% plus interest. The current interest rate for underpayments is calculated pursuant to Rev. & Tax § 6591.5.

Rev. & Tax § 12602(c)(1)

If required to and fail to remit taxes by electronic funds transfer, shall be assessed 10% of taxes due at the time of the payment.

10 CCR § 2330.1

If insurer fails to remit taxes by electronic funds transfer (EFT) or is not timely, shall be assessed 10% penalty plus interest. If payment is made by some other method than EFT and the payment is not timely, shall be assessed 20% plus interest.

Ins. § 1775.5

If a surplus line broker fails to make payment within the time required, they must pay a penalty of 10% of the amount of the payment due plus interest at the rate of 1% per calendar month or fraction thereof.

Extensions:

Rev. & Tax §§ 12255; 12306

Upon showing of good cause Commissioner may extend prepayment due date up to 10 days. Interest due for that period. Upon showing of good cause Commissioner may grant 30-day extension for filing tax return or paying any amount required to be paid with the return. Interest due for that period. The extensions may be granted at any time, provided that a request is filed with the commissioner within, or prior to, the period for which the extension may be granted.

Ins. §§ 1775.4; 1775.5

Commissioner may extend date of monthly payment 10 days for good cause. Extension of time for filing a tax return or paying any amount required to be paid with the return may be granted for 30 days. Interest due for that period. Payment must be made within the extension period. The extensions may be granted at any time, provided that a request is filed with the commissioner within, or prior to, the period for which the extension may be granted.

Retaliatory Law:

→ Cal. Const. Art. XIII, § 28(f)(3); Ins. §§ 685; 685.1

If any taxes, licenses and fees, in the aggregate, and any fines, penalties, deposits and other material obligations imposed on California insurers, and their representatives are in excess of the amounts charged similar insurers and their representatives by California, a retaliatory tax shall be imposed. Law does not apply to ad valorem taxes on real or personal property nor as to special purpose obligations or assessments imposed by another state or country, unless allowed as a deduction from premium taxes due.

FEES

California aggregates all taxes and fees paid to compute retaliation.

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4

Insurers' Fees:

Certificate of authority:

| | |
|--|---------|
| Benefit and relief association..... | \$1,862 |
| County mutual fire insurer..... | 7,761 |
| Firemen's, policemen's or peace officers' benefit and relief association..... | 1,551 |
| Fraternal benefit society..... | 7,761 |
| Grants and annuities society..... | 4,656 |
| Motor club..... | 5,433 |
| Mutual insurer..... | 4,656 |
| Reciprocal insurers..... | 4,656 |
| Stock insurer..... | 4,656 |
| Life settlement provider original application..... | 4,656 |
| Multiple employer welfare arrangement certificate of compliance application..... | 5,752 |
| Financial guaranty certificate of authority..... | 8,219 |
| Professional reinsurance qualification..... | 3,661 |
| Amended certificate for financial guaranty association..... | 8,219 |
| Amended certificate of authority, each amendment..... | 150 |

Licenses:

| | |
|--|-------|
| Home protection..... | 4,656 |
| Underwritten title company..... | 934 |
| Workers' compensation rating organization..... | 246 |

Amended licenses:

| | |
|--|-----|
| Underwritten title company license each additional county..... | 543 |
|--|-----|

Insurers’ Fees (cont.)

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4 (cont.)

Name approval/change:

| | |
|--|-------|
| All except grants and annuities societies and joint underwriters | \$150 |
| Grants and annuities society name change | 311 |
| Joint underwriters name approval | 79 |
| Joint underwriters name renewal | 28 |
| Underwritten title company name change | 311 |
| Home protection name change..... | 150 |

Withdrawal of certificate of authority holder:

| | |
|---|-------|
| County mutual fire insurer, fraternal benefit society, mutual, stock, reciprocal..... | 1,551 |
| Grants and annuities society | 934 |

Amendments to articles of incorporation:

| | |
|--|-----|
| All except grants and annuities societies and motor clubs..... | 79 |
| Grants and annuities society | 233 |
| Motor club..... | 55 |

Amendments to bylaws:

| | |
|-----------------|----|
| Motor club..... | 55 |
|-----------------|----|

Renewal fee for certificates of authority/licenses:

| | |
|--|-------|
| County mutual fire insurer | 466 |
| Fraternal benefit society..... | 466 |
| Grants and annuities society | 150 |
| Mutual insurer..... | 466 |
| Motor club..... | 466 |
| Stock insurer, including title | 466 |
| Title (additional fee) | 1,087 |
| Underwritten title company less than 50,000 documents filed..... | 311 |
| Underwritten title company over 50,000 but less than 100,000 filed | 396 |
| Underwritten title company over 100,000 documents filed..... | 624 |
| MEWA certificate of compliance renewal..... | 466 |
| Workers’ compensation rating organization annual fee..... | 165 |
| Life settlement provider annual license renewal | 292 |

Annual statement/audit report fees:

| | |
|--|-----|
| Filing annual statement (except fraternal benefit society) | 462 |
| Late filing fee (except fraternal benefit society)..... | 776 |
| Additional penalty after first month (per month)..... | 934 |
| Filing audit report (underwritten title companies) | 825 |
| Penalty for failure to file audit report | 311 |

Insurers' Fees (cont.)

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4 (cont.)

Merger, reinsurance, assumption, consolidation, transformation:

| | |
|--|---------|
| All insurers except domestic/fraternal benefit society | \$6,985 |
| Domestic/fraternal benefit society | 425 |
| Commissioner's consent to reinsurance by fraternal fire insurer..... | 543 |
| Application to transform county mutual fire insurer to general mutual insurer..... | 543 |
| Application for holding company tender offers..... | 6,206 |
| Prior approval—transaction of affiliate | 3,105 |
| Filing fee for retiring insurer..... | 1,973 |
| Mutual insurer merger approval..... | 6,985 |
| Approval certificate of transformation—county mutual fire insurer | 340 |

Holding companies:

| | |
|--|-------|
| Holding company sales transaction | 3,105 |
| Holding company loan transactions..... | 3,105 |
| Holding company reinsurance agreements | 3,105 |
| Holding company management agreements | 3,105 |
| Holding company guarantees | 3,105 |
| Holding company derivative transaction | 3,105 |
| Holding company investments..... | 3,105 |
| Holding company material transactions..... | 3,105 |

Risk retention and purchasing groups:

| | |
|---|-------|
| Filing fee for registering as risk retention groups | 1,316 |
| Filing fee for registering as a purchasing group | 594 |

Variable annuities:

| | |
|--|-------|
| Determination of qualification | |
| foreign insurer | 3,105 |
| domestic insurer | 934 |
| plus administrative cost in excess of 934 | |
| Change to an application and qualifications | 3,105 |
| Variable life review—document review | 799 |
| Variable life and annuities—transfer of assets | 3,980 |

Non-assessable policies:

| | |
|--|-----|
| Certificate for domestic mutual | 311 |
| County mutual fire company certificate or amendment..... | 195 |
| Perpetual certificate (reciprocal)..... | 624 |

Insurers’ Fees (cont.)

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4 (cont.)

Stock permits:

| | |
|---|---------|
| Original, supplemental, or amended application for permit to issue securities | \$4,656 |
| Application for permit to issue securities for change in rights, preferences, privileges or restrictions | 624 |
| Application for permit to issue securities, evidencing share dividend or share split..... | 1,551 |
| Application for any other kind of permit | 311 |

General filing:

| | |
|--|--------------|
| Appointment of agent for service of process | 79 |
| Amendments to motor club membership certificate | 55 |
| MEWA financial information filing | 462 |
| Proxy filing | 150 |
| Service of process upon commissioner..... | 32 |
| Mortgage guarantee insurer (pool insurance filing)..... | 1,242 |
| Permission to transact other classes (mortgage guaranty insurance)..... | 2,465 |
| Trustee assets certificate | 32 |
| Application for order pursuant to Ins. § 1401.5(a) | 624 |
| Application for exemption under Ins. § 1101(b)(3)(i) | 776 |
| Legal and other certificate | 21 to 55 |
| Permit for multiple insurer operation..... | 118 |
| For each certified copy of approval of merger of county mutual | 15 |
| Approval of amendment of California assigned risk plan | 1,551 |
| Initial filing and semi-annual review—letter of credit..... | 466 |
| Annual fee for letter of credit..... | 311 |
| Filing of a deposit agreement..... | 311 |
| Filing of an amended deposit agreement | 311 |
| Fee for issuing certificate where fee is not specified in code | 55 |
| Fees for application for licenses and qualifying exam where no fee is specified | 24 |
| Certified copy of certificate of authority..... | 24 |
| Certificate of valuation | 52 plus cost |
| Certificate of compliance | 24 |
| Certificate pursuant to retaliation..... | 24 |
| Qualified custodian approval fee | 2,465 |
| Qualified custodial agreement approval fee..... | 823 |
| Approval of investment trust or partnership | 8,219 |
| Approval of real estate investment by domestic insurer actual expense, not to exceed..... | 823 |
| Application for approval to deliver consideration other than securities | 411 |
| Domestic mutual insurer contract approval | 165 |
| Investment return assurance approval plus administration costs in excess of | 411 |

Insurers' Fees (cont.)

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4 (cont.)

List of eligible surplus lines insurers:

| | |
|---------------------------|---------|
| Initial application | \$6,724 |
| Renewal application..... | 3,363 |
| Financial update | 375 |
| Non-financial update..... | 55 |

Securities deposit and withdrawal:

| | |
|---|-----------|
| Initial securities deposit | 150 |
| Securities withdrawal, substitution or any change..... | 79 |
| Certificate of deposit..... | 79 |
| Fee for filing a certificate..... | 48 |
| Failure to file workers' compensation bond or deposit penalty | see below |
| Additional penalty after first month, per month | see below |

Fees are as follow: (a) if the deposit shortfall is outstanding for less than 31 days, 0.5% of the deposit shortfall, but in no event not less than \$600. (b) If the deposit shortfall is outstanding for more than 30 days but less than 61 days, an additional late filing fee in the amount of 1% of the deposit shortfall, but in no event not less than \$1,200 shall be due. (c) An additional late filing fee of 1.5% of the deposit shortfall for every 30-day period thereafter, or fraction thereof, that the amount is outstanding, but in no event shall the total late fee be less than \$3,000. Ins. § 11692.5

Miscellaneous:

| | |
|---|-------------------------------|
| Postage or delivery charges | actual |
| Attaching commissioners seal of office | 1 |
| Dishonor of check..... | 15 |
| Fee liens, not to exceed | 1,233 |
| Materials where there is no specific fee..... | not to exceed reasonable cost |

Computer listing of agents licensed in California:

| | |
|---|------------------------|
| Partial Listing..... | 923 plus 0.01 per name |
| Computer listing of names/addresses of admitted companies | 81 |

Retaliation—December 2022

Insurers' Fees (cont.)

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4 (cont.)

| Type of Coverage | Policy | Certificate | Rider/ Insert Page | Application | Enrollment Form | New Issue Rates | Rate Changes* | See Note | Other Documents |
|--|------------------------------------|-------------|--------------------------|-------------|--------------------|--------------------|------------------|-------------|--------------------|
| Health | \$4,900 | \$2,450 | \$1,110 | \$1,520 | \$260 | \$1,110 | \$1,450 | (1) | \$1,100 |
| Group & Blanket Life and Group & Blanket Non- health Disability | 3,590 | 1,860 | 660 | 1,420 | 330 | NA | NA | | 660 |
| Individual Disability Income | 5,620 | NA | 1,260 | 1,260 | 300 | 1,260 | 1,660 | | 1,260 |
| Medicare Supp. | 3,180 | 1,650 | 590 | 1,260 | 300 | 1,260 | 1,260 | (2) | 590 |
| Long-Term Care | 4,960 | 2,480 | 1,110 | 1,540 | 260 | 1,110 | 2,600 | (3) | 1,110 |
| Credit Life & Credit Disability | 1,860 | 1,860 | 880 | 1,420 | 330 | See Note (4) | | | 880 |
| Supplemental Life | Language in policy or rider: 1,870 | | | 1,960 | NA | NA | NA | | 660 |
| Waivers of Premium & Surrender Charge Benefits | Language in policy or rider: 2,070 | | | 1,960 | NA | NA | NA | | 660 |
| Accel. Death Benefits | Language in policy or rider: 3,160 | | | 1,960 | NA | 1,110 | 1,110 | | 660 |
| Life Insurance | Language in policy or rider: 4,960 | | | 1,960 | NA | 1,110 | 2,600 | | 660 |

* Per experience group.

Retaliation—December 2022

Insurers' Fees (cont.)

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4 (cont.)

| Type of Coverage | Policy | Certificate | Rider/ Insert Page | Application | Enrollment Form | New Issue Rates | Rate Increases* | See Note | Other Forms |
|---|---|-------------|--------------------------|-------------|--------------------|-------------------------------|--------------------|-------------|-------------|
| Variable Life & Annuities | \$3,060 | \$1,590 | \$560 | \$1,210 | \$280 | NA | NA | | \$560 |
| Fraternal | NA | 4,570 | 1,090 | 1,090 | 330 | NA | NA | (5) | 1,090 |
| Workers' Comp. | 990 | 230 | 230 | NA | NA | See Code Sec. 2509.30 et seq. | | | 230 |
| Other | 660 | | | | | | | | |
| Universal Products | Individual Life Policies, Annuity Contracts, and Group Annuity Certificates: 1,590 | | | | | Riders and Insert Pages: 230 | | | 230 |
| Grants & Annuity Societies | 60 (See Ins. § 11522 when more than 10 documents are filed within a calendar quarter.) | | | | | | | | |
| Reciprocal or Inter-Insurance Exchanges | 760 | | | | | | | | |
| Fraternal Bylaws, etc. | 380 | | | | | | | | |
| Motor Club | 1830 | | | | | | | | |

* Per experience group.

Insurers' Fees (cont.)

10 CCR § 2202; Ins. §§ 12973; 12973.5; Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4 (cont.)

NOTES

- (1) Small employer health insurance rating plans: \$1,100 per submission. Lists of small employer health insurance benefit plan designs; lists of associations to which or through which small employer health insurance benefit plans are marketed and information pertaining thereto: \$510 per list or amendment thereto.
- (2) Annual filings of experience under previously approved Medicare supplement insurance rate schedules demonstrating compliance with loss ratio standards for in-force policies: \$780 per experience group. 10 CCR § 2203(h) does not apply. Documents advertising Medicare supplement insurance. \$590 per advertisement.
- (3) Documents demonstrating compliance with Ins. §§ 10231.6(c) and 10232(b). \$860 per association. Documents advertising long-term care insurance. \$520 per advertisement.
- (4) Voluntary downward deviated rates: \$350 per experience group. Actuarially equivalent rates: \$1,090 per experience group. Upward deviated rates and mandatory downward deviated rates: \$2,190 per experience group. Renewals of previously approved upward deviated rates and mandatory downward deviated rates: \$1,090 per experience group.
- (5) In products issued by fraternal, long-term care benefits funded by reducing life insurance benefits or by waiving annuity withdrawal charges: \$2,190 per document. Applications with additional underwriting criteria for such long-term benefits; \$1,960 per application.

Producer Licensing Fees:

Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4; Ins. §§ 1626; 1750; 1718

Production agency licenses:

| | |
|---|-------------------------------------|
| Property and casualty broker agent license and renewal, per year | \$94 |
| Personal lines broker-agent, per year..... | 94 |
| Life agent license, resident renewal, per year..... | 94 |
| Life agent license, nonresident renewal, per year..... | 94 |
| Accident and health agent license, resident renewal, per year..... | 94 |
| Accident and health agent license, nonresident renewal, per year..... | 94 |
| Life and disability insurance analyst issuance or renewal, per year | 311 |
| Part-time fraternal agent | 94 |
| Administrator, per year | 94 |
| Cargo shipper’s agent, per year | 32 |
| Motor club agent..... | 94 |
| Rental car agent | 509 |
| Portable electronics insurance agent..... | 321 |
| Credit insurance agent..... | 449 |
| Reinsurance intermediary broker (perpetual license) | 411 |
| First amendment to application..... | 15 |
| Subsequent amendments..... | 32 |
| Notice of appointment..... | 32 |
| Notice of termination of appointment..... | 32 |
| Amended notice of appointment or termination | 12 |
| Ratification of agency appointments by surviving insurer | 204 |
| License renewal delinquent fee..... | one-year fee for respective license |

Brokers/agents certificate:

| | |
|---|-----|
| Brokers (headquarters)..... | 311 |
| Brokers (additional locations)..... | 150 |
| Agents, Stock Agent | 150 |
| Certificate of license status printed form | 24 |
| Life settlement broker application and renewal..... | 188 |

Surplus lines:

| | |
|---|-----|
| Surplus line broker licensee who only transacts on behalf of a surplus line broker business entity, license and renewal, per year..... | 323 |
| Surplus line broker licensee who does not solely transact on behalf of a surplus broker business entity, license, and renewal, per year..... | 648 |
| Filing fee for endorsing or terminating any natural person by the organization, one-time fee..... | 32 |

Producer Licensing Fees (cont.)

Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4; Ins. §§ 1626; 1750; 1718 (cont.)

Insurance adjuster licenses:

| | |
|---|------|
| Original license application | \$79 |
| Original branch office certificate | 52 |
| Original license and renewal of license | 311 |
| Branch office certificate renewal | 62 |
| Delinquency, 50% of renewal, not to exceed..... | 79 |
| Re-examination of applicant or his manager | 32 |
| Additional fictitious business name or change | 28 |
| License reissued in a fictitious business name..... | 32 |
| Crop insurance adjuster..... | 311 |
| Replace ID card | 28 |

Public adjuster licenses:

| | |
|---|-----|
| Original license application | 68 |
| Original branch office certification..... | 39 |
| Original license and renewal of license | 264 |
| Branch office certificate renewal | 55 |
| Delinquency, 50% of renewal not to exceed..... | 132 |
| Re-examination of applicant | 28 |
| Additional fictitious business name or change | 28 |
| Interim license..... | 264 |
| Replace ID card | 28 |

Other licenses and services:

| | |
|-------------------------------------|----|
| Filing producers license bond | 32 |
| Clearance letters..... | 32 |
| Certificate of convenience | 39 |

Bail fees:

| | |
|---|-----------------|
| Bail agent original filing | 311 |
| Bail solicitor original filing..... | 311 |
| Bail permittee original filing..... | 624 |
| Bail agent renewal filing..... | 94 |
| Bail solicitor renewal filing | 94 |
| Bail permittee renewal | 394 |
| Late renewal penalty fee | twice fee above |
| Approval of fictitious or other name..... | 32 |
| Replace bail bond fee..... | 28 |
| First amendment to application..... | 15 |
| Subsequent amendments | 32 |
| ID Card, First Replacement | 15 |
| ID Card, Second and subsequent replacements | 32 |

Producer Licensing Fees (cont.)

Bulletins 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; 2018-4; Ins. §§ 1626; 1750; 1718 (cont.)

License examination:

| | |
|--|------|
| Property and casualty, life agent, first examination and reexamination | \$55 |
| Bail bondsman, first examination and first reexamination | 62 |
| Life and disability insurance analyst..... | 155 |
| Miscellaneous applications for exams | 79 |

Agents’ fees may be paid by company or agent. Retaliation on nonresident agents’ fees.

DEPOSITS

Ins. § 10454 Life Insurers Registered Policies

Life insurers may register policies with the commissioner. The insurer shall maintain special deposit for the benefit of these policies.

Ins. §§ 11691 to 11691.2 Workers’ Compensation Insurers

Subject to requirement to deposit securities in an amount set by the commissioner, but not less than \$100,000. Deposits amount specified, based on future payments estimate but not less than \$100,000.

Ins. § 12350 Title Insurers

Deposit of \$100,000 required.

CONTACT PERSON

Camilo Pizarro: (916) 492-3595; pizarroc@insurance.ca.gov
Mimi Yan: (213) 346-6469; mimi.yan@insurance.ca.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

COLORADO

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Colo. Rev. Stat. § 10-3-209

Gross premiums minus amount received as reinsurance premiums on business in the state, amount refunded under credit life, credit accident and health due to cancellation prior to maturity date of loan and return premiums for other than life. For Annuities written on or after January 1, 2021, report gross amounts on Line 2 Column B of Worksheet 1. In Column D, input amounts not subject to tax pursuant to Section 10-3-209(1)(d)(IV).

Tax Rate:

§ 10-3-209

2% for all insurers.

1% for companies maintaining a home or regional office in the state. Effective 7/1/2021, company's total domestic workforce must be greater or equal to 2% for calendar year 2022; 2.25% for 2023; and 2.5% for 2024 and each calendar year thereafter. 3 Colo. Code Regs. (CCR) 702:2-1-2 sets forth criteria and procedures for home office qualification.

3 CCR 702:2-1-8 § 11

Risk retention group taxed same as insurer.

Other Taxes and Assessments:

§ 8-46-102 Subsequent Injury Fund and Major Medical Insurance Fund

Subsequent Injury and major medical insurance funds shall assess premium taxes at a rate to be determined by the director. See 7 CCR 1101-3:2 Premium Surcharges below.

§ 8-44-112 Workers' Compensation Administrative Cost Surcharge

A premium surcharge for purpose of offsetting administrative costs of workers' compensation system is assessed on premium received at a rate established by rule and adjusted annually. Paid to division of workers' compensation. See 7 CCR 1101-3:2 Premium Surcharges below.

Other Taxes and Assessments (cont.)

→ 7 CCR 1101-3:2 Workers' Compensation Premium Surcharges

Every insurance carrier shall semi-annually file a surcharge return with the division. For the annual period beginning July 1, 2021, through June 30, 2022, the workers' compensation cash fund premium surcharge rate shall be 1.34% of the amount of all premiums written, including any policy expense constants, membership fees, finance and service, or other administrative fees charged to the policyholder in connection with the issuance or renewal of a policy.

For the purpose of funding the direct and indirect costs of the premium cost containment program of the division, there is added to the surcharge an additional increment for the annual period beginning July 1, 2021, through June 30, 2022. The amount of this assessment shall be 0.01%. No assessment shall be imposed upon self-insured employers under this subsection.

For the purposes of funding the financial liabilities of the subsequent injury fund and the major medical fund, for the period beginning July 1, 2021, through June 30, 2022, the tax shall be assessed at 0.10% of the amount of workers' compensation premiums written.

For the annual period beginning July 1, 2022, the workers' compensation cash fund premium surcharge rate shall be 1.40% of the amount of all premiums written, including any policy expense constants, membership fees, finance and service, or other administrative fees charged to the policyholder in connection with the issuance or renewal of a policy.

For the purpose of funding the direct and indirect costs of the premium cost containment program of the division, there is added to the surcharge an additional increment for the annual period beginning July 1, 2022. The amount of this assessment shall be 0.03%. No assessment shall be imposed upon self-insured employers under this subsection.

For the purposes of funding the financial liabilities of the subsequent injury fund and the major medical fund, for the period beginning July 1, 2022, the tax shall be assessed at 0.00% of the amount of workers' compensation premiums written.

§ 24-31-104.5 Insurance Fraud Fee

For the purpose of investigation and prosecution of insurance fraud, every entity regulated by the division of insurance shall pay a nonrefundable annual fee not to exceed \$3,000. For fiscal 2022-2023, a \$425 fee for those companies whose prior direct written premiums, gross contract funds, or charges received in Colorado were \$1,000,000 or less. For those companies whose prior year direct written premiums, gross contract funds, or charges received in Colorado were greater than \$1,000,000, the fraud fee is \$2,250. Due by Mar. 1.

§ 10-4-508 Property and Casualty Guaranty Association

Association may assess member insurers up to 2% net direct written premium on kinds of insurance in account.

Other Taxes and Assessments (cont.)

§ 10-20-109 Life and Health Guaranty Association

Association may assess member insurers up to 2% average premiums received in the state during past three calendar years preceding the year in which the insurer became impaired or insolvent.

§ 10-3-209 Preemption

No county, city or town may levy any occupation or other tax except taxes on real or personal property and on workers' compensation premiums.

Exclusions and Deductions:

§ 10-3-209 Fraternal

Fraternal are exempt from the payment of premium taxes.

§ 10-3-209 Domestic's Policies Issued Prior to 1959

Excludes tax on policies issued prior to 1959 by a domestic insurance company meeting requirements regarding principal plan of business and investment of assets.

Credits:

§ 39-30-103.5; 1 CCR 201-13; 3 CCR 702-3:3-1-5 Contributions to Enterprise Zone Administrators

An insurer that makes a monetary or in-kind contribution to the enterprise zone administrator for the purpose of implementing the economic development plan for the enterprise zone is entitled to a credit against premium taxes in an amount equal to 25% of the total value of the contribution, not to exceed \$100,000 per year or the total amount of premium tax, whichever is less.

§ 39-30-105.6 Rehabilitation of Vacant Buildings

An insurer that owns or is a tenant of a building that is at least 20 years old and is located in an enterprise zone, and that has been unoccupied for at least two years, will be allowed credit of 25% of the qualifying cost of rehabilitating the building subject to a \$50,000 per building credit limitation and subject to any I.R.C. § 38 rehabilitation credit claimed. Any credit not used may be carried forward.

§ 39-30-104 Investment in Certain Property

Insurers may take a credit against the premium tax equal to 3% the amount of the total qualified investment for qualified property used solely and exclusively in an enterprise zone for at least one year. Insurers may take a credit equal to 12% of the total investment made during the taxable year in a qualified job training program. These credits may be carried forward.

Credits (cont.)

§ 39-22-2102 Low-Income Housing Developments

A premium tax credit is available for owners of qualified low-income housing developments that receive a credit allocation from Colorado Housing and Finance Authority (CHFA). The credit will not exceed 30% of the qualified basis of the development and will be allocated only to the extent necessary for the financial feasibility of the development. A copy of the Colorado State Low-Income Housing Tax Credit Allocation Certificate that is issued by CHFA must be attached to the Colorado premium tax return that claims the credit.

§§ 10-3.5-105 to 10-3.5-106; 8 CCR 1501-2 Certified Capital Company

An insurer may contribute capital to provide assistance in the formation of businesses that creates new jobs in Colorado. One hundred percent of the capital contributed prior to Jan. 1, 2004 may be taken as a credit against premium tax on the following schedule: 10% per year until the credit is fully utilized. Credits not used may be carried forward up to 10 years. Aggregate total of premium tax credits is investments that would generate credits of \$10 million per year for 10 years beginning in tax year 2003. The credit to be applied in any one year shall not exceed the state premium tax liability of the certified investor for that taxable year.

§ 39-30-105.5 Expenditures for Research and Experimental Activities

An insurer that makes expenditures in qualified research and experimental activities and the activities are conducted in the enterprise zone, shall be allowed a credit against premium taxes. The credit is based on the increase of a company's research and experimental expenditures over the average of expenditures conducted in the same enterprise zone during the previous two premium tax years. The insurer may claim 25% of the tax credit in the year the expenditures are made and 25% in each of the following years. This credit may be carried forward.

§ 10-20-113 Life and Health Guaranty Association

May offset assessment on account of life or annuity insolvency against premium tax at rate of 20% of the amount of such assessment for each of the first, second, third, fourth, and fifth calendar years following the year in which such assessment was made. To the extent the offsets exceed insurer's premium tax liability; they may be carried forward to future years.

§ 10-22-110 Premium Tax Credits for Contribution to the Colorado Health Benefit Exchange

A credit against the tax imposed by sections 10-3-209 and 10-6-128 is allowed to any insurance company that becomes a qualified taxpayer by making a contribution to the exchange pursuant to this section. The insurance company may only contribute an amount of money equal to the premium taxes paid by the company pursuant to the July 31 tax payment, or a lesser amount as determined by the commissioner. A qualified taxpayer claiming a credit against premium tax liability is not required to pay any additional retaliatory tax as a result of claiming the credit. An insurance company that becomes a qualified taxpayer may claim the tax credit on one or more subsequent quarterly or annual tax payments beginning on or about Oct. 31. Insurers are permitted to carry over any excess credit to other tax returns.

Payment Due Dates:

§ 10-3-209

Due Mar. 1. If last year's tax exceeded \$5,000, pay quarterly estimates due on last day of month following end of quarter. Each payment should equal 25% of the total tax paid during the preceding year, or 80% of the actual quarterly tax for the current calendar year, whichever is greater.

Penalties:

§ 10-3-209

If more than 30 days late with return on quarterly estimates, penalty of up to \$100 day for each additional day of delinquency. If less than full amount of tax is paid, add interest of 1% per month, plus commissioner may assess penalty of up to 25% of unpaid amount.

Extensions:

§ 10-3-209

Penalties do not begin to accrue until 30 days after due date. There are, however, no provisions allowing an extension.

Retaliatory Law:

§ 10-3-209

If any taxes and fees in the aggregate, fines, penalties, deposits or other obligations imposed on Colorado insurers exceed those Colorado imposes on a similar insurer organized under the laws of another state, a retaliatory tax will result.

FEES

All fees and taxes are aggregated on premium tax return. If no fee is listed for a particular license or service, a fee will be charged in retaliation.

Insurers' Fees:

§ 10-3-207

Initial application:

Investigating and processing..... \$500

Insurers pay most fees by one payment due Mar. 1. Specified fees for any entity regulated by insurance department:

| Direct Written Premium | | Taxable Premiums | Annual Fee |
|-------------------------------|-----|--------------------------|-------------------|
| Up to \$1,000,000 | and | Up to \$1,000,000 | \$670 |
| \$1,000,001 to \$10,000,000 | and | \$80,000 to \$10,000,000 | 2,010 |
| \$10,000,001 and more | and | \$120,000 and more | 3,345 |

In addition, the department may charge a reasonable fee for copying and other administrative services.

Producer Licensing Fees:

3 CCR 702-1:1-2-10, § 12

Standard fees for producers are set forth below:

| Submitted By | Transaction Type | Forms are available and should be submitted through: | Total Fee |
|-------------------------------|--|---|--------------------|
| Individual or Agency Producer | New License/Add an Authority (Resident) | sircon.com or nipr.com | \$47 per authority |
| Individual or Agency Producer | New License/Add an Authority (Nonresident) | sircon.com or nipr.com | \$71 per authority |
| Individual or Agency Producer | New License/Add an Authority—Surplus Lines (Resident) | sircon.com or nipr.com | \$144 |
| Individual or Agency Producer | New License/Add an Authority—Surplus Lines (Nonresident) | sircon.com or nipr.com | \$294 |
| Individual or Agency Producer | License Renewal (Resident) | sircon.com or nipr.com | \$27 per authority |
| Individual or Agency Producer | License Renewal (Nonresident) | sircon.com or nipr.com | \$43 per authority |
| Individual or Agency Producer | License Renewal—Surplus Lines (Resident) | sircon.com or nipr.com | \$134 |
| Individual or Agency Producer | License Renewal—Surplus Lines (Nonresident) | sircon.com or nipr.com | \$284 |
| Individual or Agency Producer | Cancelling an Authority (Resident) | pearsonvue.com | No Fee |
| Individual or Agency Producer | Cancelling an Authority (Nonresident) | pearsonvue.com | No Fee |
| Individual or Agency Producer | Name Change | Written Request to Pearson VUE | No Fee |
| Individual or Agency Producer | Address Change | sircon.com and nipr.com | No Fee |
| Individual or Agency Producer | Letter of Certification | sircon.com | No Fee |
| Individual or Agency Producer | Letter of Clearance | Written Request to Pearson VUE | No Fee |
| Individual or Agency Producer | Assumed Name Registration | www.dora.colorado.gov/doi/producer | No Fee |
| Agency Producer only | Producer Registration/Cancellation of Unlicensed Officer | pearsonvue.com | No Fee |

Producer Licensing Fees (cont.)

3 CCR 702-1:1-2-10, § 12 (cont.)

Standard fees for producers are set forth below (cont.)

| Submitted By | Transaction Type | Forms are available and should be submitted through: | Total Fee |
|-------------------------------|---|---|-----------|
| Bail Industry Companies Only | Bail Industry Appointments & Appointment Renewals | www.dora.colorado.gov/doi/regulations (See regulation 1-2-16) | \$95 |
| Bail Industry Companies Only | Bail Industry Terminations | www.dora.colorado.gov/doi/regulations (See regulation 1-2-16) | No Fee |
| Individual or Agency Producer | New License Reinsurance Intermediary | Written Request to DOI | \$200 |
| Individual or Agency Producer | License Renewal—Reinsurance Intermediary | sircon.com and nipr.com (Nonresidents only) | \$200 |
| Education Provider | Continuing Education Course Registration | sircon.com | \$20 |
| Education Provider | Course Renewal | sircon.com | \$20 |
| Individual Producer** | Only Licensing Examination at Test Center | N/A | \$41 |
| Individual Producer | Only Licensing Examination via OnVUE | N/A | \$31 |
| Individual Producer** | Only Licensing Examination Retake at Test Center | N/A | \$41 |
| Individual Producer | Only Licensing Examination Retake via OnVUE | N/A | \$31 |

** Candidates who schedule certain examinations back-to-back may do so for a single fee. For example, candidates who schedule the Property exam and the Casualty exam back-to-back will only pay a single exam fee of \$41.

All fees paid pursuant to this regulation are non-refundable. Fees are payable by electronic cash or credit card. If fees are paid electronically, and the check is refused by the bank for any reason or the credit card is declined for any reason, the producer's license will not be valid.

DEPOSITS

§§ 10-3-201; 10-3-302

Domestic insurers shall maintain a deposit equal to the minimum capital and surplus. Foreign insurers may instead have a like amount deposited with another state having similar requirements, where the deposits are held for the benefit of all policyholders wherever located and not with a preference for those in the depository jurisdiction.

[Note: Please see the Company Deposit chart for further information.]

CONTACT PERSON

Cindy Hathaway: (303) 894-7836; cindy.hathaway@state.co.us
Lorraine Pritchett: (303) 894-2195; lorraine.pritchett@state.co.us

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

CONNECTICUT

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Conn. Gen. Stat. § 12-202 Domestic Insurers
§ 12-210 Foreign Insurers

Computed on all net direct premiums received during the calendar year.

§ 12-202a Health Care Centers

Computed on total net direct subscriber charges received during the calendar year.

§ 38a-91nn Captive Insurance Companies

Computed on total direct premiums collected or contracted for during the calendar year, excluding considerations received for annuity contracts.

§ 38a-277 Nonadmitted Insureds

Computed on gross premiums charged for “independently procured insurance” as such term is defined in § 527 of the Nonadmitted Reinsurance Reform Act of 2010. This tax only applies to insureds whose home state is Connecticut and is irrespective of whether the insurance policies, on which such premiums are charged, may cover properties, risks, or exposures located or to be performed both within and without Connecticut.

§§ 38a-254; 38a-277 Risk Retention Groups

Computed on gross premiums paid for coverages within this state to risk retention groups. This does not apply to captive insurance companies or licensed or eligible surplus lines insurers.

§ 38a-743 Surplus Lines Brokers

Computed on gross premiums charged by insurers licensed pursuant to the provisions of § 38a-794 for insurance procured by such licensee less any returned premiums.

[Note: Please see the Surplus Lines chart for further information.]

Tax Rate:

§§ 12-202; 12-210

1.5% domestic and foreign insurers

Tax Rate (cont.)

§ 12-202a

1.5% health care centers

§ 38a-277

4% nonadmitted insureds

§§ 38a-254; 38a-277

4% risk retention groups

§ 38a-91nn

| Rate for Tax on Direct Premiums Collected by Captive Insurers | |
|---|--|
| Amount of Gross Direct Premiums Less Returned Premiums and Deductions | Rate |
| Less than \$20,000,000 | 0.38% |
| Over \$20,000,000 but not over \$40,000,000 | \$76,000 plus the excess over \$20,000,000 multiplied by 0.285% |
| Over \$40,000,000 but not over \$60,000,000 | \$133,000 plus the excess over \$40,000,000 multiplied by 0.19% |
| Over \$60,000,000 | \$171,000 plus the excess over \$60,000,000 multiplied by 0.072% |

| Rate for Tax on Assumed Reinsurance Premiums Collected by Captive Insurers | |
|--|---|
| Amount of Gross Assumed Reinsurance Premiums Less Returned Premiums and Deductions | Rate |
| Less than \$20,000,000 | 0.214% |
| Over \$20,000,000 but not over \$40,000,000 | \$42,800 plus the excess over \$20,000,000 multiplied by 0.143% |
| Over \$40,000,000 but not over \$60,000,000 | \$71,400 plus the excess over \$40,000,000 multiplied by 0.048% |
| Over \$60,000,000 | \$81,000 plus the excess over \$60,000,000 multiplied by 0.024% |

§ 38a-743

4% surplus lines brokers

Other Taxes and Assessments:

§§ 38a-49; 38a-51 Examination Assessment

Assess foreign insurers and fraternal benefit societies their portion of the total cost of all examinations conducted, in addition to other taxes and fees paid.

§§ 38a-50; 38a-51 Valuation Assessment

Assess foreign insurers and fraternal benefit societies whose reserves have been valued during the year a proportionate share of the total cost of valuations.

§§ 38a-47; 38a-48 Administrative Assessment for Department Expenses

Assess domestic insurers their portion of an amount equal to actual expenses of the insurance department. Pay quarterly estimates of liability. If any assessment is not paid when due, a penalty of \$25, plus interest at a rate of 6% per year.

§ 31-344a Workers' Compensation Administration Fund

An annual assessment, 4% of the total compensation and payments made by insurance carriers, shall be made to cover the administrative expenses of the fund.

§ 31-354 Second Injury Fund

Second injury and compensation assurance fund may assess 2.25% of total amount expended on workers' compensation claims to finance fund.

§ 19a-7j Health and Welfare Fee Assessment

Assess domestic insurer or health care centers doing life insurance or health insurance business in this state.

§ 38a-556 Health Insurance Pool

Allows assessment for losses of the pool in proportion to health insurance premium written.

§ 38a-841 Connecticut Insurance Guaranty Association

The Connecticut Insurance Guaranty Association may assess insurers writing property or casualty insurance coverage in the account with the deficiency no more than 2% of the net direct written premium.

§ 38a-866 Connecticut Life and Health Insurance Guaranty Association

The Connecticut Life and Health Insurance Guaranty Association may assess no more than 2% of direct written premium on life and health insurance coverage written for account or subaccount with deficiency, plus an assessment for administrative expenses, which may be made on a non-pro-rata basis.

Other Taxes and Assessments (cont.)

§ 38a-1083(c)(7) Powers of Exchange

Charge assessments or user fees to health carriers that are capable of offering a qualified health plan through the exchange or otherwise generate funding necessary to support the operations of the exchange.

Exclusions and Deductions:

§ 38a-604 Fraternal Benefit Societies

Fraternal benefit societies are exempt from the payment of insurance premium taxes.

§ 12-210a Group Health

Foreign life insurers may exclude the entire amount of benefits paid to Connecticut residents from the calculation of group health insurance policies premiums, provided their domicile provides a similar deduction for all life insurers.

§ 12-210 Ocean Marine

Excludes ocean marine insurance from calculation for foreign insurers.

→ Credits and Offsets:

For more information on Connecticut business tax credits, please see the *Connecticut Business Tax Credits: Overview of Connecticut Business Tax Credits* available on the Connecticut Department of Revenue Services' website at <https://portal.ct.gov/drs>.

§ 38a-48 Insurance Department Assessment

Certain local domestic insurance companies, as defined in § 12-201, may be entitled to a credit against their insurance premium tax equal to 80% of the assessment paid under § 38a-48 during the calendar year to the Connecticut Insurance Department.

§ 38a-866(h) Connecticut Life and Health Insurance Guaranty Association

The assessment may be 100% offset against the premium tax liability or health care center liability, taken over a period of five successive tax years following the year of payment of the assessment, at the rate of 20% per year of the assessment paid to the association. If any assessments have been refunded, the insurer shall be required to pay an amount equal to the total amount that has been claimed as an offset against the premium tax liability or health care center liability. An insurer may transfer any offset to an affiliate.

Credits and Offsets (cont.)

§ 38a-841(c) Connecticut Insurance Guaranty Association

The assessment may be 100% offset against the premium tax liability, taken over a period of five successive tax years following the year of payment of the assessment, at a rate of 20% per year of the assessment paid to the association. If any assessments have been refunded, the insurer shall be required to pay an amount equal to the total amount that has been claimed as an offset against the premium tax liability. An insurer may transfer any offset to an affiliate.

§ 12-211a Limitations on Credits

The amount of tax credits otherwise allowable against the taxes imposed by §§ 12-202; 12-212; and 12-202a, the gross premiums taxes on domestic and foreign insurance companies and health care centers, for any calendar year may not exceed 30% for certain credits, 55% for certain credits, and 70% for certain credits, of the amount of tax due for the calendar year prior to the application of such credit or credits. For purposes of this limitation the credit or credits do not include the guaranty association assessment offsets.

Payment Due Dates:

§ 12-205

Return due Mar. 1 for the taxes imposed by §§ 12-202; 12-212; and 12-202a, the gross premiums taxes on domestic and foreign insurance companies and health care centers.

§ 12-204c; Conn. Agencies Regs. § 12-204c-1

For the taxes imposed by §§ 12-202; 12-212; and 12-202a, quarterly estimated tax payments are required if the tax shown on the current year's return is \$1,000 or more. Estimated tax payments are due Mar. 15, June 15, Sept. 15 and Dec. 15. Required installments are: Mar. 15, 30% of required annual payment; June 15, 30% of required annual payment; Sept. 15, 20% of required annual payment; and Dec. 15, 20% of required annual payment. No addition to tax if estimated tax payments equal or exceed 90% of the tax shown on the current year's return or 100% of the tax shown on the preceding year's return, whichever is less.

§ 38a-91nn

Return due Mar. 1 for the gross premiums tax imposed by § 38a-91nn on captive insurers.

§ 38a-277

Quarterly returns due for the tax on nonadmitted insurers as follows:

| Calendar Quarter | Due Date |
|-------------------------|-----------------|
| Jan. 1 to Mar. 31 | May 15 |
| April 1 to June 30 | Aug. 15 |
| July 1 to Sept. 30 | Nov. 15 |
| Oct. 1 to Dec. 31 | Feb. 15 |

Payment Due Dates (cont.)

§§ 38a-277; 38a-254

Return due Mar. 1 for risk retention groups.

§ 38a-743

Quarterly returns due for the tax on surplus lines brokers as follows:

| Calendar Quarter | Due Date |
|-------------------------|-----------------|
| Jan. 1 to Mar. 31 | May 15 |
| April 1 to June 30 | Aug. 15 |
| July 1 to Sept. 30 | Nov. 15 |
| Oct. 1 to Dec. 31 | Feb. 15 |

Penalties:

§ 12-206

Penalty: 10% of the tax not paid on or before the due date, or \$50, whichever is greater.
Interest: 1% per month of the tax not paid on or before the due date.

§ 38a-277

Penalty: 10% of the tax not paid on or before the due date, or \$75, whichever is greater.
Interest: 1% per month of the tax not paid on or before the due date.

§ 38a-743

Penalty: 10% of the tax not paid on or before the due date.
Interest: 1% per month of the tax not paid on or before the due date.

Extensions:

§ 12-205

Extension request due Mar. 1

Retaliatory Law:

§ 12-211

If the premium or income or other taxes or any fees, fines, penalties, claims or deposits imposed on Connecticut insurers are in excess of those Connecticut charges foreign insurers, figured on an aggregate state-wide basis, retaliation will occur. Any tax obligation imposed by a city, county or other political subdivision will be deemed to be imposed by the state. This does not apply to guaranty fund assessments except where another state imposes upon Connecticut insurers retaliatory charges for these assessments.

FEES

Most fees are not included on the insurance premiums tax return. They are handled on a retaliatory basis by the insurance department.

Insurers' Fees:

§§ 38a-11; 38a-53; 38a-740-11; 38a-91bb; 38a-479

Licensing fees:

| | |
|--|-------|
| License issued to domestic insurer | \$200 |
| Filing documents prerequisite to issuance of license..... | 220 |
| Filing documents prerequisite to issuance of license for health care center | 1,350 |
| Filing additional papers required by law..... | 30 |
| Annual renewal certificate of authority: domestic insurer..... | 200 |
| Annual renewal certificate of authority: foreign insurer..... | 0 |
| Amended certificate of authority | 200 |
| Medical discount plan license issued or renewed | 625 |
| Preferred provider networks for each license fee issued or renewed..... | 2,750 |
| Life settlement provider; initial application..... | 26 |
| Life settlement provider; issued or renewed license..... | 40 |
| Pharmacy benefit manager application fee for each registration issued or renewed | 100 |
| Captive insurance company: initial and renewal license | 375 |
| Captive insurance company nonrefundable application fee..... | 800 |
| Duplicate license fee..... | 50 |

Annual statement:

| | |
|--|-------------|
| Domestic insurers | 50 |
| Foreign insurers | 0 |
| Annual and quarterly late filing fee | 175 per day |

Miscellaneous services:

| | |
|---|-----|
| Certificate of compliance, organization, reciprocity or valuation..... | 40 |
| Certified copy of license to a company..... | 40 |
| Certified copy of report or certificate of condition of company for another state | 40 |
| Service of process | 50 |
| Filing hospital liens..... | 50 |
| Small claims notice..... | 15 |
| Filing of independent audited financial report..... | 30 |
| Certificate for deposits held..... | 315 |

Insurers' Fees (cont.)

§§ 38a-11; 38a-53; 38a-740-11; 38a-91bb; 38a-479 (cont.)

Agent appointments:

| | |
|---|------|
| Appointment application filing fee (Connecticut domiciled only, unless reciprocal) | \$50 |
| Appointment fee—domestic | 100 |
| Appointment fee—foreign: | |
| If the premium tax rate in the appointment company's state of domicile is less than the Connecticut 1.5% premium tax rate | 20 |
| If the premium tax rate in the appointing company's state of domicile is equal to or greater than the Connecticut 1.5% premium tax rate | 80 |
| Appointment fee—Alaska, Arizona, Colorado, Hawaii, Illinois, Indiana, Maryland, Missouri, Montana, New York, Oregon and Rhode Island domiciled insurers | 0 |

Generally, agent appointment fees are paid by the insurer; they are renewed biennially.

Surplus lines companies:

| | |
|---|-------|
| Annual fee..... | 126 |
| Initial non-refundable applicable filing fee..... | 1,000 |

Rating organizations:

| | |
|----------------------------------|-----|
| Fee for each license issued..... | 200 |
|----------------------------------|-----|

Fraternal benefit societies:

| | |
|---|-------------|
| For each license and renewal | 10 |
| Receiving and filing annual statement..... | 20 |
| Service of process | 50 |
| Filing certified copy of charter | 15 |
| Filing any additional papers required by law..... | 15 |
| Annual and quarterly late filing fee | 175 per day |
| Duplicate license fee | 50 |

Foreign only:

| | |
|---|----|
| Certified copies of certificate of compliance | 15 |
| Certified copy of report or certificate of condition of company to be filed in any other state..... | 15 |
| Certified copy of permit..... | 15 |

→ Other than Insurers' Fees:

§ 38a-11; Bulletin L-22

License fees:

| | |
|--|-------|
| Producer (individual), initial fee | \$140 |
| Producer (business entity), initial fee..... | 130 |
| Producer—Model Travel only (individual and business), initial fee..... | 750 |
| Producer (individual and business), reinstatement and amendment fee | 130 |
| Producer (individual and business), biennial renewal fee..... | 160 |
| Producer—Model Travel only (individual and business), biennial renewal fee..... | 650 |
| Producer (individual and business), late renewal fee payable within one year of license renewal date..... | 320 |
| Producer—Model Travel only (individual and business), late renewal fee payable within one year of license renewal date..... | 1,300 |
| Car rental agency (permit), initial and reinstatement fee..... | 80 |
| Car rental agency (permit), biennial renewal fee..... | 80 |
| Casualty adjuster (all), initial and reinstatement fee..... | 130 |
| Casualty adjuster (all), biennial renewal fee..... | 80 |
| Certified insurance consultant (all), initial, reinstatement and amendment fee..... | 300 |
| Certified insurance consultant (all), biennial renewal fee..... | 250 |
| Fraternal agent (all), initial, reinstatement and amendment fee..... | 130 |
| Fraternal agent (all), biennial renewal fee | 80 |
| Motor vehicle physical damage appraiser (all), initial and reinstatement fee..... | 130 |
| Motor vehicle physical damage appraiser (all), biennial renewal fee..... | 80 |
| Portable electronics initial application..... | 600 |
| Portable electronics for each license renewed | 450 |
| Public adjuster (all), initial and reinstatement fee..... | 300 |
| Public adjuster (all), biennial renewal fee..... | 250 |
| Reinsurance intermediary broker and manager (all), initial and reinstatement fee | 675 |
| Reinsurance intermediary broker and manager (all), biennial renewal fee..... | 625 |
| Surety bail bond agent (all), initial and reinstatement fee | 250 |
| Surety bail bond agent (all), biennial renewal fee | 100 |
| Surplus lines broker (all), initial and reinstatement fee | 675 |
| Surplus lines broker (all), biennial renewal fee | 625 |
| Life settlement broker (all), initial and reinstatement fee | 66 |
| Life settlement broker (all), annual renewal fee | 40 |
| Life settlement registration (for producers with life authority) | 26 |
| Third party administrator (all), initial and reinstatement fee | 500 |
| Third party administrator (all), annual renewal fee (includes annual report fee) | 450 |
| Third party administrator (all), registration fee | 0 |

§ 38a-784 Producer renewal changes

Effective Jan. 1, 2018, licensees will have until the last day of their birth month to renew their license. Business entity licensees will continue to have an expiration date of Jan. 31 of every even-numbered year.

Other than Insurers’ Fees (cont.)

§ 38a-11; Bulletin L-22 (cont.)

Examination fees:

| | |
|--|------|
| Producers’ exams/fee per line of authority not including testing service fee, if any | \$15 |
| Casualty adjuster’s exam, not including testing service fee, if any | 20 |
| Motor vehicle physical damage appraisers not including testing service fee, if any | 80 |
| Certified insurance consultants not including testing service fee, if any | 26 |
| Surplus lines brokers not including testing service fee, if any..... | 20 |
| Public adjuster not including testing service fee, if any | 15 |

Miscellaneous:

| | |
|--|--------|
| Certificate of license status (Letter of Certification)..... | no fee |
| Duplicate license..... | no fee |
| Verify and print a license at: State Based Systems. | |

→ **CONTACT PERSON**

- Department of Revenue Services
Chrystal Hale: (860) 541-3289
- Insurance Department, Financial Analysis & Compliance (Insurers)
Bill Mitchell: (860) 297-3833
- Insurance Department, Licensing Division (Other than Insurers)
Jill Marocchini: (860) 297-3975

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DELAWARE

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Del. Code Ann. tit. 18 § 702

Gross direct premium income, including fees, assessments and other considerations, on insurance contracts other than workers’ compensation and employers’ liability after deducting returned premiums, and amount returned as dividends. Wet marine and transportation insurance premiums are not included, nor are considerations received for annuity contracts. Corporate and trust owned life insurance is not included to the extent itemized separately below.

Tax Rate:

Delaware’s premium tax rate is 2% as follows:

1.75% per tit. 18 § 702 plus 0.25% per tit. 18 § 707

tit. 18 § 702(c)(1) Corporate and Trust Owned Life Insurance

Premiums itemized separately for employer and trust owned life insurance policies are taxed on a graduated basis, based on net premiums per case. A “case” is all contracts issued to a single employer or trust. In subsequent years after the first, the premium tax rate shall not be higher than the rate established for the preceding year.

| Net Premiums Per Case | Premium Tax Rate |
|------------------------------|-------------------------|
| First \$10,000,000 | 2% |
| \$10,000,001 to 24,999,999 | 1.5% |
| \$25,000,000 to 99,999,999 | 1.25% |
| \$100,000,000 and over | 1% |

These policies are excluded from guaranty fund coverage.

tit. 18 § 6914

0.002% on each dollar of direct premiums collected or contracted for by each captive insurance company, except for a sponsored captive insurance company, and each protected cell of a sponsored captive insurance company, up to a maximum tax of \$200,000.

0.001% on each dollar of assumed reinsurance premiums collected or contracted for by each captive insurance company, except for a sponsored captive insurance company, and each protected cell of a sponsored captive insurance company, up to a maximum tax of \$110,000.

Captive companies are not subject to retaliatory tax.

Tax Rate (cont.)

tit. 18 § 8004

Risk retention group taxed same as foreign admitted insurer.

Other Taxes and Assessments:

tit. 18 § 702 Wet Marine and Transportation Insurance

Pay 5% tax on underwriting profit for wet marine and transportation insurance.

tit. 8 §§ 501-504 Corporation Franchise Tax

Domestic insurers shall pay to the division of corporations an additional tax of no less than \$175, no more than \$180,000 based on the lesser of the following two computations:

| | |
|---|-------|
| Capital stock less than 5,000 shares | \$175 |
| Capital stock of 5,001 to 10,000 shares | 250 |
| For each additional 10,000 shares, or portion thereof | 75 |

OR

| | |
|--|-------|
| No-par capital of \$500,000 or less | \$175 |
| No-par capital of 500,001 to 1,000,000 shares | 250 |
| For each \$1,000,000 or part thereof of additional assumed, no-par capital | 75 |

Additional calculations may be required for the second table.

tit. 18 § 703 Privilege Tax

Domestic insurers shall pay a privilege tax due and payable at same time as premium tax and estimates. Tax based on gross annual receipts (defined in tit. 18 § 703) at rates on table:

| If annual gross receipts are: | The annual privilege tax shall be: |
|-------------------------------|------------------------------------|
| Under \$1,000,000 | Exempt |
| \$1,000,000 to \$5,000,000 | \$10,000 |
| \$5,000,001 to \$10,000,000 | 25,000 |
| \$10,000,001 to \$20,000,000 | 45,000 |
| \$20,000,001 to \$30,000,000 | 65,000 |
| \$30,000,001 to \$40,000,000 | 85,000 |
| over \$40,000,000 | 95,000 |

(cont.)

Other Taxes and Assessments (cont.)

tit. 18 § 703 Privilege Tax (cont.)

For each \$100,000 of gross salaries, wages and other compensation paid by the Delaware domestic insurer and its affiliates for employee services performed within Delaware, the domestic insurer is entitled to a credit of \$1,500 for the year. For Delaware domestic insurers that do not maintain their principal offices in the state, the amount of the tax due may not be reduced to less than \$15,000.

Delaware domestics must include the privilege tax in their quarterly prepayments. Any domestic insurer that writes 50% or more of its total premium on persons or property located in Delaware is exempt from the privilege tax.

tit. 19 § 2391; tit. 18 § 704 Workers' Compensation Premium Tax

Each insurer required to pay tax on workers' compensation premiums shall pay a tax of 2% of premiums to the secretary of finance. This tax is in lieu of all other taxes on premiums. This tax is collected by the insurance department along with other premium tax.

tit. 19 § 2392 Workers' Compensation Administrative Assessment

Assessment of workers' compensation insurance carriers for administrative expenses of state based on amount of compensation payments and awards. Computed annually. Not considered in the retaliatory computation.

tit. 19 § 2395 Second Injury Fund and Contingency Fund

Each year workers' compensation insurers shall pay a sum not to exceed 1% of premiums for fund.

tit. 18 § 6832 Medical Malpractice Joint Underwriting Association

Insurers writing casualty insurance and health insurance, and health service corporations shall be assessed share of deficit. Not considered in the retaliatory computation.

tit. 18 § 2415 Fraud Prevention Bureau Assessment

Insurers are assessed \$900 annually to provide funds for the operation of the fraud prevention bureau. Fee paid annually as part of the premium tax filing, but goes directly to fraud prevention bureau, not to state's general fund. Not considered in the retaliatory computation.

Note: A foreign insurer whose state of domicile does not have a similar policy excluding the state's fraud fee from retaliatory tax must include the fraud fee in the home state calculation section on the retaliatory tax form.

Other Taxes and Assessments (cont.)

tit. 18 § 4208 Property and Casualty Guaranty Association

The property/casualty guaranty association may assess member insurers no more than \$150 a year for administrative costs, plus an amount that is equal for every company to be paid to the insurance commissioner's regulatory revolving fund. A third type of assessment is based on net direct written premium of the member insurers for the preceding calendar year and is assessed in case of an insolvency. Revolving fund assessments may not exceed 0.1% of premiums for the year, and these assessments combined with assessments on account of insolvencies may not exceed 2% of premiums.

tit. 18 § 4409 Life and Health Guaranty Association

The life/health guaranty association may assess member insurers no more than \$300 a year for administrative costs, plus an amount that is equal for every company to be paid to the insurance commissioner's regulatory revolving fund. A third type of assessment is based on net direct written premium of the member insurers for the preceding calendar year and is assessed in case of an insolvency. Revolving fund assessments may not exceed 0.1% of premiums for the year, and these assessments combined with assessments on account of insolvencies may not exceed 2% of premiums.

tit. 18 § 712 Preemption

The fees, charges and taxes imposed by the state shall be in lieu of all county and municipal licenses, fees and taxes except property taxes.

Exclusions and Deductions:

tit.18 §§ 6224; 6226 Fraternal

Fraternal are exempt from the payment of premium taxes. However, they are required to submit an annual form and pay annual statement and certificate of authority renewal fees.

Fraternal fees are subject to retaliatory tax.

Credits:

tit. 30 § 2033 Travelink Traffic Mitigation Act

Provides credit against premium tax based on number of employees participating in program designed to reduce traffic congestion.

tit. 18 § 4413; Domestic/Foreign Insurers Bulletin No. 7 Life and Health Guaranty Association

Assessments by the life and health guaranty association, other than for administrative expenses, may be taken as a credit against the premium tax at a rate of 20% a year for five years, beginning the year after the assessment is paid. Guaranty fund assessment credits will no longer be factored into retaliatory tax calculations.

Credits (cont.)

tit. 18 § 4219; Domestic/Foreign Insurers Bulletin No. 7 Property and Casualty Guaranty Association

Assessments may be taken as a credit against the premium tax at a rate of 20% a year for five years, beginning the year after the assessment is paid. Premium tax offset does not apply to administrative assessments. Guaranty fund assessment credits will no longer be factored into retaliatory tax calculations.

tit. 18 § 6832 Medical Malpractice Joint Underwriting Association

Assessments by JUA may be recouped through a surcharge on premiums not to exceed 2% of future annual premiums or through a credit against current or future premium taxes.

§ 20A-102 Veterans' Opportunity Credit

Employers hiring qualified veterans shall receive a credit equal to 10% of a qualified veteran's wages, up to a maximum of \$1,500. Employers may take the credit in the year the qualified veteran is hired and the two subsequent tax years.

tit. 30 § 2083 New Economy Jobs Program Employment

Effective July 1, 2016, qualified employers and qualified retained employers shall be eligible during their first certified year and for the nine taxable years thereafter for credits against their insurance premiums tax liability.

Payment Due Dates:

tit. 18 § 702; tit. 19 § 2391 Premium Tax

Return due Mar. 1. Pay 50% of estimated current year liability on April 15, 20% on June 15, 20% on Sept. 15 and 10% on Dec. 15 of current year. Workers' compensation tax payable on same schedule. Wet marine and transportation insurance tax due by June 1.

tit. 8 § 504 Franchise Tax for Domestic Insurers

Return due Mar. 1. If liability for current year is expected to be \$5,000 or more, a tentative tax shall be paid on the following schedule: 40% due June 1 of the current year, 20% on Sept. 1, 20% on Dec. 1 and the remainder due with the report on the following Mar. 1. The franchise tax is collected by the Division of Corporations.

Penalties:

tit. 18 § 702(f)

In case of any underpayment of estimated tax required by this section, there shall be added to the tax for the taxable year an amount determined at the rate of 1.5% per month, or fraction thereof, upon the amount of the underpayment for the period of the underpayment. The period of the underpayment shall run from the date the estimated tax or installment was required to be paid to the date on which actually paid. No penalty for underpayment shall be imposed if the quarterly estimated tax payments equal 100% of the total tax due and paid for the previous tax year.

Extensions:

No specific provision for extensions.

Retaliatory Law:

tit. 18 § 532

If any taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements, etc. imposed on Delaware insurers or agents are in excess of those Delaware imposes on similar insurers, a retaliatory tax will be imposed. Shall not apply to personal income tax or to ad valorem taxes on real or personal property or to special purpose obligations or assessments imposed by another state in connection with insurance other than property insurance.

FEES

If no fee is listed for a particular license or service, no fee will be charged. There is no retaliatory fee in this case.

Insurers' Fees:

tit. 18 §§ 701; 6903; 6409; 8004

*Fees marked with asterisks considered in the retaliatory tax computation.

Certificate of authority:

| | |
|---|---------|
| Application for initial certificate of authority, including all documents submitted | |
| as part of such application | \$1,000 |
| Issuance of certificate of authority (and duplicate or replacement)..... | 150 |
| *Annual continuation..... | 150 |
| Reinstatement..... | 150 |
| Amendment..... | 150 |
| Charter documents (other than those filed with application for certificate of authority). | |
| Filing amendments to certificate of incorporation, articles of incorporation, | |
| charter, bylaws, power of attorney (as to reciprocal insurers) and to other | |
| constituent documents of the insurer | 10 |

Insurers' Fees (cont.)

tit. 18 §§ 701; 6903; 6409; 8004 (cont.)

*Fees marked with asterisks considered in the retaliatory tax computation (cont.)

Annual statement:

*Annual statement of insurer \$150

Insurance holding company or member of insurance holding company system, filing:

Initial registration statement 100

Amendment..... 100

Form A filing 1,000

Insurance premium finance company:

Original license 500

Annual continuation..... 500

Fraternal associations:

Original license 100

*Renewal 100

*Annual statement 100

Form filings:

For each insurance policy or annuity contract or applications..... 150

Rate changes or deviations..... 100

In addition to the filing fee, may be required to pay expenses for the review.

HMO:

Application fee for certificate of authority 750

Annual report 500

Managed care organizations:

Original license 500

Annual continuation..... 150

Dental plan:

Dental plan application fee 150

Dental plan renewal 150

Risk retention group:

Initial registration..... 150

*Annual renewal 150

*Annual statement 100

Risk purchasing group:

Initial registration..... 150

Annual renewal 150

Insurers' Fees (cont.)

tit. 18 §§ 701; 6903; 6409; 8004 (cont.)

*Fees marked with asterisks considered in the retaliatory tax computation. (cont.)

Accredited reinsurer and/or surplus lines insurer:

| | |
|---------------------------|-------|
| Initial registration..... | \$150 |
| Annual renewal..... | 150 |

Companies approved as both accredited reinsurer and surplus lines carrier must pay both fees.

Vending machine license each year 100

Captive insurer—companies are not subject to retaliatory tax:

| | |
|-------------------------------------|-------|
| Initial license, nonrefundable..... | 300 |
| Renewal, annually..... | 400 |
| Application fee, nonrefundable..... | 300 |
| Processing fee, nonrefundable | 3,200 |

Miscellaneous services:

| | |
|--|----|
| Service of process against unauthorized insurers | 25 |
| Certified copy of insurer certificate of authority or of any license issued under this title..... | 10 |
| Copies of documents on file in the department \$0.50 per page, minimum | 5 |
| Certifying and affixing official seals | 10 |

Agents' appointment:

| | |
|---|----|
| *One-time appointment of agent, each insurer | 50 |
| One-time appointment of fraternal representative each society or association..... | 50 |

Insurers must appoint agent who will represent them and pay the permanent appointment fee.

Delaware does not retaliate on fees except as noted.

Producer Licensing Fees:

tit. 18 § 701

Producers:

| | |
|---|-----|
| Initial license for producers or limited lines producer | 100 |
| Resident license renewal, biennially..... | 100 |
| Nonresident license renewal, biennially | 100 |

Reinsurance intermediary:

| | |
|--------------------------|-----|
| Initial license..... | 250 |
| Annual continuation..... | 100 |

Surplus lines broker:

| | |
|--|-----|
| Initial license, resident and nonresident..... | 250 |
| Resident license renewal, biennially..... | 200 |
| Nonresident license renewal, biennially | 200 |

Producer Licensing Fees (cont.)

tit. 18 § 701 (cont.)

Fraternal representative:

| | |
|---|-------|
| Initial license, resident and nonresident | \$100 |
| Resident license renewal, biennially | 100 |
| Nonresident license renewal, biennially | 100 |

Adjuster:

| | |
|---|-----|
| Initial license, resident and nonresident | 100 |
| Resident license renewal, biennially | 100 |
| Nonresident license renewal, biennially | 100 |

Motor vehicle appraiser:

| | |
|---|-----|
| Initial license, resident and nonresident | 100 |
| Resident license renewal, biennially | 100 |
| Nonresident license renewal, biennially | 100 |

Apprentice:

| | |
|------------------------------------|----|
| License (valid for one year) | 50 |
| Amendments to license | 25 |

DEPOSITS

tit. 18 § 513

Foreign insurers must maintain a deposit of \$100,000 in this or another state and domestic insurers must maintain a deposit of \$100,000 in Delaware. Surety insurers (domestic and foreign) must add \$10,000 to that amount for the protection of Delaware policyholders only, unless they have a paid-up capital and surplus of \$10 million and have deposited \$400,000 in any state. Workers' compensation insurers (domestic and foreign) must add \$100,000 to that amount for the protection of Delaware policyholders only. Domestic title insurers must maintain a deposit of \$25,000.

CONTACT PERSON

Jeannine Neal: (302) 674-7339; Jeannine.Neal@Delaware.gov
Paulette Morris: (302) 674-7383; Paulette.Morris@Delaware.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

DISTRICT OF COLUMBIA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

D.C. Code § 47-2608; Bulletin 00-F1-001-01/06

Based on premium and consideration received on all insurance contracts, including policy and membership fees less premiums received for reinsurance assumed, premiums returned and dividends paid in cash or used by policyholders in payment of renewal premiums. By department policy it includes marine insurance. Annuity considerations and premiums from contracts issued in connection with qualified retirement plans are exempt from tax.

Tax Rate:

§§ 31-205; 31-3403.01; 31-3514.01; 47-2608

2% of direct written premiums for accident and loss of health; 1.7% of direct written premiums for all other lines.

2% of direct written premium for HMOs.

§ 31-4103

Foreign risk retention groups taxed on the same basis as a foreign admitted insurer.

§ 31-3931.12 Captive Insurers

Direct written premiums:

- 0.250% on first \$25 million of net direct written premiums
- 0.150% on next \$25 million
- 0.050% on each dollar thereafter

Reinsurance:

- 0.225% on first \$25 million of assumed reinsurance premiums
- 0.150% on next \$25 million
- 0.025% on each dollar thereafter

Captive insurers pay annual minimum tax of \$7,500. This amount can be pro-rated for a captive licensed during the last quarter of the calendar year.

Domestic risk retention groups formed as captives:

Direct written premiums:

- 0.380% on first \$20 million of net direct written premiums
- 0.250% on next \$20 million
- 0.180% on each dollar thereafter

(cont.)

Tax Rate (cont.)

§ 31-3931.12 Captive Insurers (cont.)

Domestic risk retention groups formed as captives pay annual minimum tax of \$15,000. This amount can be pro-rated for a captive licensed during the last quarter of the calendar year.

The total tax paid by captive insurers and domestic risk retention groups formed as captives shall not exceed \$100,000 in any year.

Other Taxes and Assessments:

§ 32-1541 Workers' Compensation Administration Costs

Workers' compensation insurers assessed for administrative expenses. Total cost prorated among insurers writing workers' compensation coverage.

§ 31-1203 Insurance Regulatory Trust Fund

Each insurer and each health maintenance organization shall be assessed an amount based on a percentage of its direct gross receipts for the preceding year. Minimum assessment is \$1,000. The rate of assessment shall be established by the mayor annually but not to exceed 0.3%. Captive insurers are exempt from insurance regulatory trust fund assessments.

§ 31-5505 Property and Casualty Guaranty Association

Assess no more than 2% of direct written premium on the kinds of insurance in the account with the deficiency. According to § 31-3931.16, captive insurers are exempt from any insolvency guaranty fund.

§ 31-5406 Life and Health Guaranty Association

Association may assess insurers a fair and reasonable amount for the purpose of administrative costs plus up to 2% of the insurer's average premiums received in the District of Columbia on policies and contracts covered by the account during the three calendar years preceding the year in which the insurer was declared insolvent. According to § 31-3931.16, captive insurers are exempt from any insolvency guaranty fund.

§ 31-3430 HMO Insolvency protection; assessment

When a health maintenance organization in the District is declared insolvent by a court of competent jurisdiction, the commissioner may levy an assessment on health maintenance organizations doing business in the District to pay claims for uncovered expenditures for enrollees who are residents of the District and to provide continuation of coverage for enrollees not covered under § 31-3414. The commissioner may not assess in any one calendar year more than 2% of the aggregate premium written by each health maintenance organization in the District the prior calendar year.

Other Taxes and Assessments (cont.)

§ 44-301.9 Health Benefits Plan Members Bill of Rights Administrative Costs

Health insurers assessed for administrative expenses. Total cost prorated among insurers writing accident and health coverage.

§ 31-3171.03 District of Columbia Health Benefit Exchange Authority Fund

Health insurers assessed for administrative expenses of District of Columbia Health Benefit Exchange Authority. Total cost prorated among insurers writing at least \$50,000 in accident and health coverage.

Exclusions and Deductions:

§§ 31-205; 31-5320; 47-2611 Exemptions

Fraternal societies exempt from premium tax.

Credits:

§§ 31-5231 to 31-5239; 26-A D.C. Mun. Regs. (DCMR) 5600 Certified Capital Companies

Insurers may take a premium tax credit for investments in certified capital companies. An insurer may claim tax credits in an amount not to exceed 25% of the total tax credits allocated to the insurer per year. In addition, the annual amount of the tax credits claimed by an insurer may not exceed the insurer's tax liability to the District. Any unused tax credits may be carried forward indefinitely until utilized. An insurer may transfer tax credits to another insurer. The sum of the total annual tax credits claimed by the original insurer and the insurer receiving the credits may not exceed the maximum amount of tax credits the original insurer could have claimed had it not transferred its credits.

§ 31-5410 Life and Health Guaranty Association

A member insurer may offset assessments against the premium tax at a rate of 10% per year for 10 years, beginning the year after the assessment was paid.

§§ 47-4801 to 47-4812 District of Columbia Low-Income Housing Tax Credit

Insurers may take a premium tax credit in an amount up to 25% of the value of the federal low-income housing tax credit received with respect to the qualified project. The District of Columbia low-income housing tax credit may be claimed equally for 10 years, subtracted from the tax otherwise due for each taxable period and shall not be refundable; provided, that the credit may not be taken against any tax that is dedicated in whole or in part to the Healthy DC and Health Care Expansion Fund established by § 31-3514.02.

Payment Due Dates:

§ 31-3931.12

Return due before Mar. 1. Captive insurers and domestic risk retention groups formed as captives tax return due not later than Mar. 2.

§ 47-2608

If tax liability in prior year was \$1,000 or more, pay an installment of 50% of last year's tax, due on June 1 with the balance due before Mar. 1. [Note: not applicable to captives and domestic risk retention groups formed as captives.]

Penalties:

§§ 31-205; 47-2609

Penalty of 8% per month for failure to pay taxes by Mar. 1, plus revocation of certificate of authority until tax and penalty paid.

§ 31-1204 Insurance Regulatory Trust Fund

Penalty of 10% of the assessment plus interest of 0.5% per month until assessment paid in full.

Extensions:

No specific provision for extension.

Retaliatory Law:

§ 47-2610

When a state charges District of Columbia domiciled companies aggregate taxes, which exceed the aggregate taxes that the District charges similar companies, retaliation occurs. When a state charges fines, deposits and other obligations in excess of those the District charges foreign insurers, retaliation may occur. This does not apply to personal income taxes, ad valorem taxes on real or personal property, and any special assessments charged by a state in connection with insurance other than property insurance. The District of Columbia does not include fees in the retaliatory tax computation.

FEES

The District does not retaliate on fees for companies or producers.

Insurers' Fees:

§§ 31-2502.41; 31-4302; 31-2502.02; 31-4103; 47-2606; 31-3931.09; 31-3937.09(e);
DCMR 26-A3500.1; DCMR 26-A3515.36

Insurers:

| | |
|--|-------|
| Articles of incorporation filed..... | \$300 |
| Certificate of authority annual fee | 200 |
| Producers' appointments (renewed annually)..... | 25 |
| Insurance premium finance companies annual license fee | 150 |

Health Maintenance Organization:

| | |
|--|-----|
| Certificate of authority filing fee, initial | 500 |
| Certificate of authority filing fee, renewal..... | 200 |
| Producers' appointments (renewed annually)..... | 25 |

Fraternal:

| | |
|---|----|
| Certificate of authority annual fee | 50 |
|---|----|

Captives:

| | |
|--|-----|
| Certificate of authority initial & annual renewal fee (captives & domestic RRGs) | 300 |
|--|-----|

Foreign risk retention groups and purchasing groups:

| | |
|-------------------------------------|-----|
| Registration and certification..... | 250 |
|-------------------------------------|-----|

Producer Licensing Fees:

26-A DCMR § 105

Producer license:

| | |
|-------------------------|-----|
| Renewed biennially..... | 100 |
|-------------------------|-----|

Surplus lines authority:

| | |
|-------------------------|-----|
| Renewed biennially..... | 200 |
|-------------------------|-----|

DEPOSITS

§ 31-4315

Deposit of \$100,000 required for life insurance companies. Domestic insurers deposits may be lower, at the discretion of the commissioner. Foreign companies may meet requirement by making a deposit with any state.

§ 31-3412

Deposit of \$300,000 required for HMOs.

CONTACT PERSON

Company and Producers Licensing

Sheila Johnson-Parker: (202) 442-7795; sheila.parker@dc.gov

Captives and domestic RRGs

Dana Sheppard: (202) 442-7820; dana.sheppard@dc.gov

Assessments

Julia May: (202) 442-7842; julia.may@dc.gov

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FLORIDA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Fla. Stat. § 624.509

Gross premiums, risk premiums for title insurance; including assessments, membership fees, policy fees, gross deposits received from subscribers to reciprocal and interinsurance agreements, annuity premiums, minus reinsurance accepted and return premiums and assessments. No deductions allowed for reinsurance ceded, cash surrender value paid, dividends paid or discounts or refunds for direct or prompt payment. Wet marine and transportation insurance taxed separately.

Tax Rate:

§ 624.509

1.75% unless otherwise specified.

1% of gross receipts on annuity policies or contracts paid by the holders thereof in this state. The premium tax shall not be imposed on receipts of annuity premiums or considerations if the tax savings derived are credited to the annuity holders.

§§ 636.066; 624.509

1.75% prepaid limited health service organizations

§§ 624.509; 624.4094

1.75% on direct written premiums for bail bond policies beginning Jan. 1, 2015, amounts retained by licensed bail bond agents or appointed managing general agents are excluded from taxable premiums.

§ 636.0145

Any entity licensed under this chapter which provides services solely to Medicaid recipients under a contract with Medicaid shall be exempt from §§ 636.017, 636.018, 636.022, 636.028, 636.034 and 636.066(1).

§§ 642.032; 624.509

1.75% legal expense insurance

Tax Rate (cont.)

§§ 624.509; 627.7711

Any portion of the premium retained by a title insurance agent or agency is excluded from taxable premiums.

§ 628.6015

1.6% assessable mutual insurers

§§ 627.944(3); 626.932(1)

4.94% foreign risk retention groups and surplus lines

§§ 627.943(4); 624.509

1.75% domestic risk retention groups

§ 624.4625(4)

1.6% of the gross amount of premiums, contributions, and assessments received by a corporation not-for-profit self-insurance fund.

§ 624.4621(7)

1.6% of the gross amount of premiums, contributions, and assessments received by a group self-insurance fund.

§ 624.46226(4)

1.6% of the gross amount of premiums, contributions, and assessments received by a public housing authority's self-insurance fund.

Other Taxes and Assessments:

§§ 624.510; 624.5105; Rule 12B-8.001(3)(d), F.A.C. Wet Marine and Transportation Insurance

0.75% of gross underwriting profit on wet marine and transportation insurance. Income tax credit, firefighters' pension fund credit, police officers' retirement fund credit, and community contribution credit (see below) are credited against this tax. Tax due Mar. 1.

§ 175.101 Firefighters' Pension Fund

Municipalities and special fire control districts may levy excise tax of 1.85% of gross receipts on premiums for policies on risks located within their respective jurisdictional boundaries. For multi-peril policies, an apportionment of 70% property and 30% casualty should be applied for allocation purposes. Due Mar. 1.

Other Taxes and Assessments (cont.)

§ 185.08 Police Officers' Retirement Fund

Municipalities may assess casualty insurers 0.85% of gross premiums covering property located within city limits. For multi-peril policies that use a single combined property-casualty premium, 30% of that premium shall be used to calculate the "gross premiums" above. Due Mar. 1.

§ 624.515 State Fire Marshal Regulatory Assessment and Surcharge

Assess 1% on gross premiums collected on fire insurance insuring property in state, in addition to premium tax, plus a surcharge at a rate of 0.1% of gross commercial premiums.

§ 641.58 Health Maintenance Organization Health Care Trust Fund

Assess every HMO, every prepaid health clinic, and every provider service network an annual regulatory assessment, not to exceed 0.1% of gross premiums. Due April 1.

→ §§ 220.02 to 220.54; 220.1105: Department of Revenue website Corporate Income Tax

Code defines net taxable income, which is taxed at 5.5% for taxable years beginning prior to January 1, 2019, and on or after January 1, 2022. For taxable years beginning January 1, 2019, through December 31, 2020, the tax rate is 4.458%. For taxable year January 1, 2021, to December 31, 2021, the tax rate is 3.535%. For taxable years beginning on or after January 1, 2022, the tax rate adjustments pursuant to this section are repealed and the tax rate imposed for purposes of §§ 220.11(2) and 220.63(2) is 5.5%.

§ 440.51(1)(b) Workers' Compensation Fund Administration

Compensation insurers (carriers and self-insurers) bear the prorated costs of administration for workers' compensation insurance. The amount assessed for administrative costs by the Department of Revenue may be based a specific amount or as a percentage of net premiums payable as the division may direct, not to exceed 2.75% of net premiums.

§ 440.49(8)(b) Special Disability (Second Injury) Fund

Insurers writing compensation insurance shall be assessed an amount to maintain the fund. Assessments should be paid quarterly with workers' compensation fund assessments.

§ 631.914 Workers' Compensation Guaranty Corporation

To pay covered claims and reasonable costs, insurers may be assessed based on direct written premium. Insurers, and self-insurance funds, may be assessed an amount not to exceed 2% of premium. (Prior to July 1, 2016, the rate for self-insurance funds was not to exceed 1.5% of premium. *See Chapter 2016-170, Laws of Florida.*) The department is authorized to levy additional assessments of up to 1.5% of direct written premium if the assessments otherwise authorized are insufficient.

Other Taxes and Assessments (cont.)

§ 766.314 Birth-Related Neurological Injury Compensation Plan

Casualty insurance carriers, physicians and hospitals may be assessed to cover the plan's losses, awards and expenditures. (*See* subsections (4) and (5) of the statute.)

§ 631.819 HMO Assessments for Insolvency

All HMOs are assessed to cover insolvency of an HMO or long-term care insurer (effective June 7, 2019). The assessment for any calendar year may not exceed 0.5% of the HMO's annual earned premium revenue for non-Medicare and non-Medicaid contracts.

§§ 627.351; 627.311 Florida Automobile Joint Underwriting Association

Auto insurers may be assessed for losses of the JUA.

§ 627.351(2) Windstorm Joint Underwriting Association

Insurers licensed to transact property insurance may be assessed for losses of the JUA. Since July 1, 2002, the Windstorm Joint Underwriting Association has been part of the Citizens Property Insurance Corporation.

§ 215.555(6)(b) Florida Hurricane Catastrophe Fund

If funds are inadequate, the board may direct the Office of Insurance Regulation to levy an emergency assessment on direct premiums for all property and casualty lines of business, including the property and casualty business of surplus line insurers, but not including workers' compensation or medical malpractice premiums. The insurer collects the assessment at the same time it collects the premium.

§ 627.351(3) Political Subdivision; Casualty Insurance Joint Underwriting Association

Insurers licensed to write casualty insurance in the state may be assessed for the losses of the JUA.

§ 627.351(4) Medical Malpractice Joint Underwriting Association

Insurers licensed to write casualty insurance may be assessed for the losses of the JUA.

§ 627.351(5) Property and Casualty Joint Underwriting Association

Insurers licensed to issue property and casualty insurance may be assessed for the losses of the JUA.

§ 627.351(6) Citizens Property Insurance Corporation

Insurers authorized to write property and casualty insurance but not including workers' compensation or medical malpractice may be assessed for losses of the corporation.

Other Taxes and Assessments (cont.)

§ 627.3515 Market Assistance Plan

All residential property insurers shall be assessed for the operating expenses of the MAP.

§§ 631.57; 624.509 Property and Casualty Guaranty Association

May assess member insurers no more than 2% net direct written premiums for kinds of insurance in the account with the deficiency. Assessments shall constitute advances of funds from the insurer to the association. An insurer may fully recoup such advances by applying a separate recoupment factor to the premium of policies of the same kind or line as were considered by the office in determining the assessment liability of the insurer or group. Recoupments are not taxable premium. Additionally, an emergency assessment of no more than 4% is authorized if certified by the board.

§ 631.718 Life and Health Guaranty Association

May assess member for administrative expenses or examinations, plus an additional amount to cover the costs of dealing with impaired or insolvent insurers.

For insolvencies other than long-term care insurers, the total amount of annual assessments may not exceed 1% of sum of the member insurer's premiums regarding business covered by the account received during the three calendar years preceding the year in which the assessment was made, divided by three.

For long-term care insurer insolvencies, the assessment methodology must allocate 50% of the assessment to health member insurers and 50% of the assessment to life and annuity member insurers and the total assessments may not exceed 0.5% of the insurer or HMO's premiums in covered business during the preceding calendar year. (Effective for insolvencies on or after June 7, 2019.)

Exclusions and Deductions:

§ 632.626 Fraternal Benefit Societies

Fraternal are exempt from premium tax.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

Florida has agreed to follow the *Todd* decision and will not collect premium tax, including the state fire marshal regulatory assessment and surcharge on federally reinsured crop insurance premiums.

§ 624.402(9) Contracts to U.S. Nonresidents

Policies or contracts issued by an insurer domiciled outside the United States covering only persons who, at the time of issuance, are not residents of the United States and are not nonresidents illegally residing in the United States, are not subject to the premium tax. The insurer must currently be an authorized insurer in its country of domicile as to the kind or kinds of insurance proposed to be offered.

Credits:

§§ 175.141; 185.12 Firefighters' Pension Fund and Police Officers' Retirement Fund

May take a credit against the premium tax for the amount paid to the firefighters' pension fund and police officers' retirement fund.

§ 440.51 Worker's Compensation Fund Administration

Compensation carriers and self-insurers may take a credit against the premium tax for the amount paid for administrative expense of the fund.

§ 624.509 Credit for Income Tax

Insurers may take credit for these other taxes against premium tax liability for period during which the payments were made or should have been made. Credit for income tax and emergency excise tax and salary tax credit may not exceed 65% of tax due after deducting police officers' and firefighters' excise tax credits and workers' compensation administrative assessment credit.

§§ 220.183; 624.5105 Community Contribution Tax Credit

Insurers may take this credit against either the insurance premium tax, or wet marine profits tax. A credit of 50% of any community contributions may be taken, with a maximum of \$200,000 credited per year.

An insurer that claims a credit against premium-tax liability earned by making a community contribution under § 624.5105 need not pay any additional retaliatory tax levied under § 624.5091 as a result of claiming such a credit. § 624.5091 does not limit such a credit in any manner.

§ 220.195 Emergency Excise Tax Credit

Beginning with taxable years ending in 2012, a taxpayer who has earned, but not yet taken, a credit for emergency excise tax paid under former § 221.02 may take such credit against the tax imposed by this Ch. 220. If a credit granted pursuant to § 220.195 is not fully used in taxable years ending in 2012 because of insufficient tax liability on the part of the taxpayer, the unused amount may be carried forward for a period not to exceed five years. The carryover credit may be used in a subsequent year when the tax imposed by this chapter for such year exceeds the credit for such year, after applying the other credits and unused credit carryovers in the order provided in § 220.02(8).

Credits (cont.)

§§ 624.509; 624.5091; Rule 12B-8.001; Rule 12B-8.016 Employee Salary Credit and Retaliation

Insurers may take 15% of the amount paid in salaries to eligible employees located in Florida as credit against premium tax. An affiliated group that created a service company within its affiliated group on July 30, 2002, shall allocate the salary of each service company eligible employee to the various entities within the affiliated group for which the service company employee performs services. As an alternative, effective July 1, 2005, an affiliated group of corporations which includes at least one insurance company writing premiums in Florida, may take a credit not exceeding 15% of the salaries paid to eligible employees located in Florida who perform insurance related services if the affiliated group made a timely election for this alternative on or before Aug. 1, 2005. In the computation of the retaliatory tax, 80% of the salary credit claimed is added back into the retaliatory calculation.

The total salary credit and corporate income and emergency excise tax credit granted shall not exceed 65% of the tax due under § 624.509(1) after deducting the police officers' and firefighters' excise tax credits and the workers' compensation administrative assessment credit.

→ §§ 624.51055; 1002.395; Rule 12-29.002 Credit for Contributions to Eligible Nonprofit Scholarship-Funding Organizations

There is allowed a credit of 100% of an eligible contribution made to an eligible nonprofit scholarship-funding organization as provided in § 1002.395 against any tax due for a taxable year under § 624.509(1) after deducting from such tax deductions for assessments made pursuant to § 440.51; credits for taxes paid under §§ 175.101 and 185.08; credits for income taxes paid under Ch. 220; the credit allowed under § 624.509(5), as such credit is limited by § 624.509(6); and the credits granted under § 624.51057. An eligible contribution must be made to an eligible nonprofit scholarship-funding organization on or before the date the taxpayer is required to file a return pursuant to §§ 624.509 and 624.5092. An insurer claiming a credit against premium tax liability under this section shall not be required to pay any additional retaliatory tax levied pursuant to § 624.5091 as a result of claiming such credit. § 624.5091 does not limit such credit in any manner. The provisions of § 1002.395 apply to the credit authorized by this section.

For insurance premium taxable years beginning on or after January 1, 2019, eligible contributions must be made by the taxpayer before the date the taxpayer is required to file a return pursuant to §§ 624.509 and 624.5092.

Unused amounts of scholarship funding tax credits may be carried forward for up to five years, if the credit was earned in a taxable year beginning before January 1, 2018, or for up to ten years, if the credit was earned in a taxable year beginning on or after January 1, 2018.

Credits (cont.)

§§ 288.991 to 288.9916 New Markets Tax Credit

Taxpayers may earn credits by investing in qualified community development entities that make qualified low-income community investments in qualified active low-income community businesses to create and retain jobs. An insurance company may apply the tax credit against the insurance premium tax, and it may not be required to pay any additional retaliatory tax as a result of claiming the tax credit. A total credit is equal to 39% of the purchase price of the qualified investment. May claim 7% of the purchase price in the tax year containing the third credit allowance date. May claim 8% of the purchase price in the tax year containing the fourth through seventh credit allowance date. The credit may not be taken in excess of the tax liability. Unused credits may be carried forward for up to five years.

§ 220.191; Rule 12C-1.0191 Capital Investment Tax Credit

Taxpayers may take credit against the corporate income tax or insurance premium tax for capital investment in a qualifying project. The project may be in one of the high-impact sectors or target industries identified by Enterprise Florida, Inc. or in an enterprise zone and brownfield area. The amount of credit varies by the type of qualifying project.

A taxpayer that claims the capital investment tax credit against the insurance premium tax may not claim credit for the same qualifying project against the corporate income tax. An insurer that claims this credit against its premium-tax liability need not pay any additional retaliatory tax levied under § 624.5091 as a result of claiming such a credit. § 624.5091 does not limit such a credit in any manner.

§ 220.181 Enterprise Zone Jobs Credit

Insurers may take a credit against the corporate income tax for an increase if the total number of full-time jobs in an enterprise zone on the date of the credit application is greater than the total number of full-time jobs in that zone 12 months before the date of application. The credit is a percentage of wages paid. Effective Dec. 31, 2015, a business may not begin claiming the enterprise zone jobs credit; however, the credit for which a business has qualified for under this section before Dec. 31, 2015, or any carryforward of unused credit is not affected.

§ 631.72 Life and Health Insurance Guaranty Association

Insurers licensed to transact in the lines of insurance defined in § 631.713 may take a credit against either the corporate income tax or insurance premium tax for assessments paid to the Florida Life and Health Insurance Guaranty Association. For each assessment that was levied before Jan. 1, 1997, 0.1% of the assessment may be taken as a credit each year until all offsets are claimed. For assessments made in 1997 and later, insurers may take a credit of 5% for each of the 20 calendar years after the year in which the assessment was paid.

§ 377.809 Energy Economic Zone

Effective July 1, 2012, enterprise zone program incentives will be available to eligible businesses located in energy economic zones designated on or before July 1, 2010.

Credits (cont.)

→ §§ 220.1876; 624.509; 624.51056; 1003.485; Rule 12-29.005 New Worlds Reading Initiative Credit

Corporate income and insurance premium tax credits are available to taxpayers contributing to the New Worlds Reading Initiative which provides books to students reading below grade level. Taxpayers can claim credit for tax years beginning on or after January 1, 2021. The carry forward period for unused credits is 10 tax years.

→ §§ 402.62; 624.5092; 624.51057; Rule 12-29.004 Strong Families Credit Program

The Florida Strong Families Credit Program provides corporate income and insurance premium tax credits for monetary donations to designated charitable organizations. Taxpayers can claim the credit for tax years beginning on or after January 1, 2021. Taxpayers that want to claim tax credits can apply to the Florida Department of Revenue beginning October 1, 2021. The carry forward period for unused credits is 10 tax years.

Payment Due Dates:

§§ 624.509; 624.510

Return due Mar. 1. Tax on wet marine and transportation insurance also due Mar. 1.

§ 624.5092

Installments of tax due on April 15, June 15, and Oct. 15; installment amounts are based on estimated receipts of premiums received during the first three calendar quarters respectively. The taxpayer must, each quarter, pay in at least 90% of the amount finally shown to be due in the quarter, or 27% of the preceding year's tax.

Penalties:

§§ 624.5092; 1002.395

Failure to report and timely pay any installment of tax or final tax due is subject to a penalty of 10% of any underpayment plus 12% interest per year from the date due until paid. The interest rate is updated Jan. 1 and July 1 of each year. For the purpose of determining if a penalty under § 624.5092 is to be imposed, an insurer may, after earning a scholarship funding credit under § 624.51055, reduce the following installment payment of 27% of the net tax due as reported on the preceding year's return by the amount of the scholarship funding credit; this applies to contributions made on or after July 1, 2014.

§ 632.628

A fraternal benefit society shall be subject to an administrative fine in an amount up to \$100 for each day for failure to file an annual statement, and its authority to do business in this state shall cease while such default continues.

Extensions:

No specific provision for extension.

Retaliatory Law:

§ 624.5091; Rule 12B-8.016

When another state charges taxes, licenses and fees in the aggregate, and any fines, penalties, deposit requirements, etc., to Florida insurers and agents that exceed the taxes, licenses, and fees, in the aggregate, or fines, penalties, deposit requirements that Florida imposes on similar insurers or agents, retaliation will occur. Any tax or license fee imposed by a city, county or other jurisdiction shall be deemed imposed by the state. A “similar insurer,” is an insurer with identical premiums, personnel, and property to that of the foreign insurer. This section does not apply to personal income taxes, nor to sales or use taxes, nor to ad valorem taxes on real or personal property, nor as to reimbursement premiums paid to the Florida Hurricane Catastrophe Fund, nor as to emergency assessments paid to the Florida Hurricane Catastrophe Fund, nor to special purpose assessments in connection with types of insurance other than property insurance.

Rule 12B-8.016

The state fire marshal regulatory assessment, the state fire marshal college surcharge and the Florida Insurance Guaranty Association assessment that was imposed upon the insurer’s property insurance policies shall be included in the retaliatory calculations. If the state of domicile imposes a comparable assessment on a similar Florida insurer, the foreign or alien insurer must include that portion of the state of domicile’s assessment that would relate to the similar insurer’s property insurance premiums. The Florida Insurance Guaranty Association assessment continues to be included in the retaliatory tax calculation even though assessments levied on or after July 1, 2015, and recouped from policyholders are no longer taxable premiums.

FEES

Retaliation of all taxes and fees, including agents’ licenses, made in aggregate on tax return.

Insurers’ Fees:

§§ 624.501 to 624.502; 626.89; 632.628; 636.057; 642.0301; 641.29

Certificate of authority of insurer:

Filing application for original certificate of authority, or modifications due to merger, etc., including all documents required to be filed therewith, filing fee..... \$1,500
Reinstatement fee..... 50

Health maintenance organization and provider service network:

Filing for a certificate of authority or amendment..... 1,000

Third party administrator:

Filing application for original certificate of authority for third-party administrator or original certificate of approval for a service company, including all documents required to be filed therewith, filing fee..... 100

Insurers' Fees (cont.)

§§ 624.501 to 624.502; 626.89; 632.628; 636.057; 642.0301; 641.29 (cont.)

Prepaid limited health service organization:

Certificate of authority \$500

Legal expense insurance companies:

Certificate of authority 250

Charter documents of insurer:

Filing articles of incorporation or other charter documents, other than at time of application for original certificate of authority, filing fee 10

Filing amendment to articles of incorporation or charter, other than at time of application for original certificate of authority, filing fee 5

Filing bylaws, when required, or amendments thereof, filing fee 5

Annual license tax:

Of insurer, each domestic insurer, foreign insurer, and alien insurer 1,000

(except that as to fraternal benefit societies insuring less than 200 members in this state and the members of which, as a prerequisite to membership, possess a physical handicap or disability) 25

Legal expense insurance companies 300

Filing application for permit to form insurer:

Filing fee 25

Annual statement:

Of insurer, filing (except when filed as part of application for original certificate of authority), filing fee 250

Of administrator 250

Each quarterly statement 250

Fraternal benefit society (annual) 250

Health Maintenance Organization and Provider Service Network (annual) 150

Prepaid limited health service organization (annual) 200

Legal expense insurance companies (annual) 100

Legal expense insurance companies (quarterly) 25

Rating organization:

Each domestic or foreign organization, annual license 25

Insurers' Fees (cont.)

§§ 624.501 to 624.502; 626.89; 632.628; 636.057; 642.0301; 641.29 (cont.)

Miscellaneous services:

| | |
|---|--------|
| For copies of documents or records on file with the department per page | \$0.15 |
| For each certificate of the department under its seal, authenticating any document or other instrument (other than a license or certificate of authority)..... | 5 |
| For processing requests for approval of continuing education courses, processing fee | 100 |
| Insurer's registration fee for agent exchanging business more than 4 times in calendar year, registration fee per agent per year..... | 30 |
| Service of process | 15 |

For preparing lists of agents, solicitors, adjusters, and other insurance representatives, and or other miscellaneous services, a reasonable charge fixed by the department.

Producer Licensing Fees:

§§ 624.501; 626.322; 626.9916; 648.355

Producer licensing:

| | |
|---|----|
| All insurance representatives, (producers) application for license, each filing, filing fee | 50 |
| Limited agent appointment | 60 |
| Property, marine, casualty, and surety insurance agents, each insurer or unaffiliated agent..... | 60 |
| Nonresident P/C agent's original appointment and biennial renewal or continuation appointment fee, each insurer or unaffiliated agent..... | 60 |
| Life insurance agent's appointment fee for original appointment and biennial renewal or continuation, each insurer or unaffiliated agent | 60 |
| Nonresident life agent's appointment fee for original appointment and biennial renewal or continuation, each insurer or unaffiliated agent | 60 |
| Health insurance agent's original appointment and biennial renewal or continuation, each insurer or unaffiliated agent | 60 |
| Nonresident health agent's original appointment and biennial renewal or continuation, appointment fee, each insurer or unaffiliated agent..... | 60 |
| Fraternal benefit society agent's original appointment and biennial renewal or continuation, each insurer..... | 60 |
| Certain military installations, original appointment and biennial renewal or continuation thereof, each insurer | 20 |
| Customer representative's original appointment and biennial renewal | 60 |
| Service representative's original appointment and biennial renewal or continuation | 60 |
| Sales representatives, miscellaneous lines | 60 |
| Late filing fee for insurance representatives and adjusters per appointment | 20 |

Viatical settlement broker:

| | |
|------------------------------------|----|
| Must be a licensed life agent..... | 60 |
|------------------------------------|----|

Producer Licensing Fees (cont.)

§§ 624.501; 626.322; 626.9916; 648.355 (cont.)

Managing general agent:

Original appointment and biennial renewal or continuation..... \$60

Reinsurance intermediary:

Application filing and license fee 50

Original appointment and biennial continuation..... 60

Surplus lines agent:

Appointment and biennial renewal or continuation appointment fee 150

Adjuster:

Original appointment and biennial renewal or continuation, appointment fee 60

Nonresident adjuster's original appointment and biennial renewal
or continuation thereof, appointment fee 60

Emergency adjuster's license, appointment fee 10

Bail bond agent:

Temporary license and appointment fee for each month of the period for which
the license and appointment is issued 5

Limited surety agent, professional bail bondsman:

Original appointment and biennial renewal or continuation..... 80

Title insurance agents or agency:

Original appointment or biennial renewal or continuation 60

Filing for title insurance agent's license:
Application for filing, each filing fee 10

Additional appointment continuation fee..... 5

Title insurer and title insurance agent administrative surcharge:
On or before Jan. 30 of each calendar year, each title insurer shall
pay to the department for each licensed title insurance agent licensed by
the title insurer and for each retail office of the insurer on Jan. 1 of
that calendar year an administrative surcharge, and each agency shall pay 200

Fingerprinting processing fee:

Fingerprinting processing fee cost

Examination:

Examination cost

Temporary license and appointment:

As agent or adjuster, where expressly provided for, rate of fee for each month of the period
for which the license an appointment is issued..... 5

Producer Licensing Fees (cont.)

§§ 624.501; 626.322; 626.9916; 648.355 (cont.)

Issuance, reissuance, reinstatement, modification:

Resulting in a modified license being issued, or duplicate copy of any insurance representative license, or an appointment being reinstated \$5

Additional license continuation fees:

Additional license continuation fees 5

Agents' fees paid by insurer or the licensee. Retaliation occurs as each fee is paid.

DEPOSITS

§ 624.411

Domestic insurers:

Casualty insurance \$250,000

Other lines \$100,000 per kind of insurance but not more than \$300,000.

Foreign insurers: (Office may require)

Casualty \$150,000

Other lines \$100,000 per kind of insurance but not more than \$200,000.

Office may require additional deposit not to exceed \$2 million.

§ 628.161

Domestic mutual insurers: Life insurers maintain deposit of \$200,000. Other mutual insurers maintain deposit equal to one-half minimum initial surplus.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

CONTACT PERSON

Department of Revenue, Premium Tax

William Roberts: (850) 717-7658; william.roberts@floridarevenue.com

Office of Insurance Regulation

Christina Huff, NAIC Coordinator: (850) 413-5906; christina.huff@flor.com

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

GEORGIA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Ga. Code Ann. § 33-8-4; Opinion 98-17

Gross direct premiums received, without regard to business ceded to or assumed from other companies, allowing a deduction for premiums returned and dividends paid. Annuity considerations are not included in gross direct premiums. The commissioner has the authority to tax HMOs on the premium payments they receive from Medicaid.

Tax Rate:

§ 33-8-4

2.25%

§ 33-5-29

4% surplus lines (brokers).

§ 33-5-33

4% surplus lines (procurement).

[Note: Please see the Surplus Lines chart for further information.]

§ 33-40-5

4% risk retention groups.

§ 33-41-22 Captive Insurers

Direct written premiums:

0.4% on first \$20 million of net direct premiums collected
0.3% on each dollar thereafter

Reinsurance:

0.225% on first \$20 million of assumed reinsurance premiums
0.150% on next \$20 million
0.050% on next \$20 million
0.025% on each dollar thereafter

No reinsurance tax applies to premiums for risks or portions of risks that are subject to taxation on a direct basis pursuant to Title 33.

(cont.)

Tax Rate (cont.)

§ 33-41-22 Captive Insurers (cont.)

The maximum amount of tax paid by a captive insurance company in any year is \$100,000.

Two or more captive insurance companies under common ownership and control, other than sponsored captive insurance companies, are taxed as a single captive insurance company.

Other Taxes and Assessments:

§ 47-7-61 Firefighters’ Pension Fund

Additional premium tax of 1% for firefighters’ pension fund, paid directly to Georgia Firefighters’ Pension Fund by Mar. 31 of each year. Property covered under a policy served by public fire suppression facilities that are rated less favorably than a class nine rating shall be excluded in determining the tax. The tax is assessed on 100% of gross premium for fire insurance coverage; on 50% of allied lines coverage, 65% of homeowner’s multiple peril coverage, 100% of commercial multiple peril, 30% of inland marine, 12% of private passenger auto physical damage, and 12% of commercial auto physical damages coverage.

§§ 34-9-358; 34-9-368 Subsequent Injury Fund

Insurers writing compensation insurance may be assessed for expenses of fund. Current assessment is 0.00% in CY 2022 of the workers’ compensation losses paid by the insurer in the preceding year. Assessments are authorized until December 31, 2023, as needed prior to the termination of the fund on that date. Assessments are suspended by the Board of Trustees effective January 2019.

§ 33-1-17; Ga. Comp. R. & Regs. 120-2-72-.05; Bulletin 97-EX-1 Special Insurance Fraud Fund

Insurers doing business in the state may be assessed for special fraud fund. Legislature will set an appropriation and each insurer will be assessed a share based on premium volume:

| Written Premium | Share of Appropriation |
|--|---------------------------------|
| Less than \$1 million including zero or less than zero | Regulation contains computation |
| Greater than or equal to \$1 million but less than \$40 million | Regulation contains computation |
| Greater than or equal to \$40 million but less than \$100 million | 0.0035 x appropriation |
| Greater than or equal to \$100 million but less than \$500 million | 0.0045 x appropriation |
| Greater than or equal to \$500 million but less than \$1 billion | 0.0055 x appropriation |
| Greater than or equal to \$1 billion | 0.0065 x appropriation |
| Associated Captive insurer | \$100 fixed amount |

(cont.)

Other Taxes and Assessments (cont.)

→ § 33-1-17; Ga. Comp. R. & Regs. 120-2-72-.05; Bulletin 97-EX-1 Special Insurance Fraud Fund (cont.)

The 2022 appropriation is \$6,922,160. Payment is due Sept. 1 of year of assessment. In the event of a supplemental appropriation, payment will be due 30 days after the assessment. Any assessment not remitted by the due date is subject to a penalty of 10% of the amount owed plus interest of 1% per month or portion of a month from the due date until paid.

→ § 34-9-63 Workers' Compensation Board Assessment

Total expenses for workers' compensation board are prorated among insurers writing compensation insurance and self-insured employers. Assessment for July 2021 to June 2022 was 0.692% of direct earned premiums. Assessment for July 2022 to June 2023 is 0.745% of direct earned premiums. Payment is due 30 days after receiving invoice.

§ 33-36-7 Georgia Insurers Insolvency Pool (Property and Casualty Guaranty Association)

Assessment may not exceed 2% of direct written premiums for kinds of insurance in account with deficiency.

§ 33-38-15 Life and Health Guaranty Association

May make assessment for administrative expenses and no more than 2% direct written premiums for kinds of insurance in account or subaccount with deficiency.

§ 33-8-8.1 County/Municipal Tax on Life Insurers

Counties and municipalities may impose additional 1% premium tax on life insurance insuring persons residing within the municipal corporations' limits, except for counties may not impose premium tax on life insurers with 75% of their assets invested in Georgia.

§ 33-8-8.2 County/Municipal Tax on Other than Life Insurers

Counties and municipalities may impose additional premium tax up to 2.5% of premiums for all companies other than life.

Other Taxes and Assessments (cont.)

§ 33-8-8 Preemption

State preempts field of taxation except taxes on real property, but municipalities may charge the following license fees:

| Population of Municipal Corporation | Amount |
|--|---------------|
| Under 1,000 | \$15 |
| 1,000–1,999 | 25 |
| 2,000–4,999 | 40 |
| 5,000–9,999 | 50 |
| 10,000–24,999 | 75 |
| 25,000–49,999 | 100 |
| 50,000 and over | 150 |

Contact Georgia Department of Insurance to verify fees.

Exclusions and Deductions:

§ 33-8-5; Ga. Comp. R. & Regs. 120-2-6-.02 Investments Deduction

May reduce tax rate to 1.25% if at least 25% of total assets of company exclusive of direct obligations of U.S. government are invested in Georgia property, as specified in the statute.

May reduce tax rate to 0.05% if 75% of total assets are invested in Georgia property.

§ 33-15-83 Fraternal

Fraternal benefit societies are exempt from the payment of premium taxes.

Credits:

§ 33-1-25 Georgia Agribusiness and Rural Jobs Act (GARJA)

Eligible business' in rural areas designated by the commissioner of community affairs shall be allowed a GARJA credit for taxes imposed under § 33-1-25 annually for four years beginning with year three through six after the investment at a rate of 15% of the credit allowance per year. To qualify for a credit, the business must have less than 250 employees and have its principal place of business in one or more rural areas in this state. They must also produce or provide goods or services produced in Georgia normally used by the farmers, ranchers, producers, and harvesters in these rural areas.

Credits (cont.)

§ 33-8-4.1 Job Tax Credit

Business enterprises in counties designated by the commissioner of community affairs as tiers 1-4 counties shall be allowed a job tax credit for taxes imposed under § 33-8-4 annually for each new full-time employee job for five years beginning with year two through six after the creation of the job. To qualify for a credit, the employer must make health insurance coverage available if such employer provides health insurance coverage for other employees. Credit will not be allowed during a year if the net employment increase falls below the number required in such tier.

§§ 33-8-6; 33-8-7; Ga. Ins. R. & Regs., Rules 120-2-6-.03; Directive 13-EX-3 Retaliatory Taxes

Domestic property and casualty insurance companies may deduct any retaliatory tax actually paid to another state if company issues policies covering fire, lightning, extended coverage and windstorm coverage on property in Georgia. Each insurer claiming abatement of gross premium tax shall file a calculation for abatement of gross premium tax, and each domestic insurer claiming retaliatory tax credit shall file a statement in support of claims for retaliatory credit on a form prescribed by the commissioner. Unless otherwise indicated, each filing required is to be made on forms or electronic format obtained from the commissioner.

§§ 33-8-8; 33-21-16 Municipality License Fees

Life insurance companies and HMOs may take a credit for company license fees paid to municipalities.

§§ 33-8-8.1; 33-21-16 County/Municipal Tax

Life insurance companies and HMOs may take a credit for premium taxes paid to municipalities and counties.

§ 33-1-18; Bulletin 06-EX-1 Georgia Housing Tax Credit

Insurers may take a tax credit against the premium tax with respect to low-income housing that qualified for a federal tax credit. All required documentation must be received by the Premium Tax Division prior to the scheduled audit of the applicable premium tax return.

§ 33-38-22 Life and Health Guaranty Association

Assessments may be offset against the premium tax liability at a rate of 20% per year for five years beginning the tax year following the year assessment paid.

Payment Due Dates:

§ 33-8-6

Annual return due Mar. 1. If premium tax liability for prior year was \$500 or more, 25% of prior year's liability or 80% times the 2.25% of tax year's actual premiums per quarter is due on Mar. 20, June 20, Sept. 20 and Dec. 20. Penalty is assessed if payment is less than 80% of amount finally due per quarter or less than 100% of prior year's liability (25% paid in each quarter).

Penalties:

§ 33-8-6

Penalty of 10% of amount owed, together with interest at rate of 1% per month or portion of a month.

§ 47-7-61

Penalty for failure to pay firefighter's fund tax is 25% of amount owed or \$1,000, whichever is greater, together with interest at current rate.

Extensions:

§ 33-2-31

Provides for the commissioner to grant an extension of no more than 30 days for the filing of premium tax forms, if requested in writing prior to the due date.

Retaliatory Law:

§ 33-8-2

Fees or taxes imposed on Georgia agents and brokers subject to retaliation.

§ 33-3-26

When another state charges taxes, licenses and other fees in the aggregate and any fines, penalties, deposit requirements or other obligations upon Georgia insurers or their representatives which are in excess of those Georgia charges similar insurers or their representatives, retaliation will occur. Any tax imposed by a political subdivision will be deemed imposed by the state.

FEES

All fees and taxes are aggregated on the premium tax return.

Insurers' Fees:

§ 33-8-1; Directive 92-EX-1

Certificate of authority:

| | |
|--|-------|
| Life, accident, and sickness insurance company: | |
| Original certificate..... | \$600 |
| Renewal of certificate, including annual statement filing and three quarterly filings..... | 700 |
| Property and casualty insurance company: | |
| Original certificate..... | 600 |
| Renewal of certificate, including annual statement filing and three quarterly filings..... | 700 |
| Title insurance company: | |
| Original certificate..... | 600 |
| Renewal of certificate, including annual statement filing and three quarterly filings..... | 700 |
| Fraternal benefit society: | |
| Original certificate..... | 600 |
| Renewal of certificate, including annual statement filing and three quarterly filings..... | 700 |
| Health maintenance organization: | |
| Original certificate..... | 600 |
| Renewal of certificate, including annual statement filing and three quarterly filings..... | 700 |
| Captive insurance company: | |
| Original license or certificate | 600 |
| Renewal license or certificate..... | 500 |
| Farmers' mutual fire insurance company: | |
| Original license or certificate | 500 |
| Renewal license or certificate..... | 25 |
| Premium finance company (full power) | 500 |
| Premium finance company (limited power)..... | 300 |
| Prepaid legal services plan..... | 500 |
| Nonprofit organizations (medical service, hospital service, or health care corporation): | |
| Original certificate..... | 600 |
| Renewal of certificate, including annual statement filing and three quarterly filings..... | 700 |
| Third-party administrators: | |
| Original license or certificate | 500 |
| Renewal license or certificate..... | 400 |
| Private review agents: | |
| Original license or certificate | 1,000 |
| Renewal license or certificate..... | 500 |
| Continuing care provider | 75 |
| Multiple employer self-insurance plan | 400 |
| Duplicate certificate of authority, license, or permit | 25 |
| License, permit, or certificate of authority amendment | 25 |

Insurers' Fees (cont.)

§ 33-8-1; Directive 92-EX-1 (cont.)

Rating or advisory organization:

License \$100

Vending machine:

License 25

Filings:

Bylaws amendments 25
 Certification of annual statement 10
 Certification of examination report..... 10
 Certification of other documents 5
 Charter amendments 25
 Form A 5,000
 Form A exemption 1,000
 Form B 500
 Form B exemption 100
 Individual risk rate or form 10
 Late fee for filings..... 15
 Filing of other documents 50
 Amendment of filings 25

Form and policy filings:

Insurance policy form 25
 Insurance rate filing 75

Risk retention groups:

Registration of risk retention groups..... 100
 Registration of purchasing groups 100

Limited liability Companies:

Registration 50

Limited partnerships and business trusts:

Registration 50

Miscellaneous services:

Listing of licensed agents, subagents, counselors, or adjusters 1,000
 Listing of insurer's certificates of authority filed for agents..... 5
 Listing of agent's certificates of authority filed for subagents 5
 List of licensees or permit or certificate holders other than agents, subagents, counselors,
 or adjusters 40
 Service of process 15

Agents' appointment:

Insurer certificate of authority for agent 10

Insurers' Fees (cont.)

§ 33-8-1; Directive 92-EX-1 (cont.)

Bond or security deposit fees: (Fees for deposits handled through a custodian bank.)

Fees vary. Information may be obtained by calling Insurance Financial Oversight at (404) 657-7287.

Producer Licensing Fees:

§ 33-8-1

License fees:

| | |
|--|------|
| Application fee for agent's, subagent's, adjuster's, or counselor's license | \$15 |
| Agent, subagent, counselor, or adjuster or principal office of an insurance agency (new license)..... | 100 |
| Agent, subagent, counselor, or adjuster or principal office of an insurance agency (biennial license renewal)..... | 100 |
| Branch office of an insurance agency other than principal office (new license) | 20 |
| Branch office of an insurance agency other than principal office (biennial license renewal) | 20 |
| Agent certificate of authority for subagent | 5 |
| Managing general agent: | |
| Original license or certificate | 600 |
| Renewal license or certificate..... | 500 |
| Reinsurance intermediary | 50 |
| Surplus lines broker | 600 |
| Utilization review agent..... | 200 |
| Agent certificate of authority | 10 |

Examination fees:

| | |
|--|----|
| Examination fee for agent's, subagent's, counselor's, or adjuster's license..... | 25 |
|--|----|

Status letter:

| | |
|--|----|
| For agent, subagent, counselor, or adjuster..... | 10 |
|--|----|

Fees paid by licensee.

DEPOSITS

§§ 33-3-8; 34-9-129

| | |
|------------------------------------|---|
| To transact one class of insurance | \$100,000 |
| Each additional class of insurance | 25,000, but a total deposit of no more than \$200,000 |
| Workers' compensation authority | 50,000 |

Foreign insurer may present certificate that a like deposit has been made in another state.

§ 33-3-9 Foreign and alien insurers

| | |
|------------------------------------|---|
| To transact one class of insurance | \$100,000 |
| Each additional class of insurance | 25,000, but a total deposit of no more than \$200,000 |

→ **CONTACT PERSON**

Premium Tax Issues

Mandy Snipes: (404) 656-7553; msnipes@oci.ga.gov

Fees

Scott Sanders: (404) 657-7742; ssanders@oci.ga.gov

Agents Licensing Division

Melanie Frechette: (470) 747-9873; mfrechette@oci.ga.gov

→ Georgia Firefighters' Pension Fund

Morgan Wurst: (770) 388-5757; morgan@gfpf.org

Tracy Ransom: (770) 388-5757; premtax@gfpf.org

→ Workers' Compensation

Alex Volodarsky: (404) 656-2314

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

HAWAII

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Haw. Rev. Stat. §§ 431:7-201 to 431:7-202

Gross premiums written less return premiums, dividends paid to policyholders (life only) and reinsurance assumed. Annuity considerations and premiums received on ocean marine insurance are not included. With respect to title insurance, the tax is based on the amount of risk premium actually received by the insurer for the provision of title insurance.

§§ 431:19-116; 431K-3

With respect to captive insurers and risk retention groups, the tax is based upon gross premiums written less return premiums, reinsurance accepted, and direct writings for which premium taxes were paid in a jurisdiction other than Hawaii.

Tax Rate:

§ 431:7-202

4.265% for other than life insurers

2.75% for life insurers

§§ 431:19-116; 431K-3

All captive insurers and risk retention groups are taxed at the following rates:

| Gross Premiums | Tax Rate |
|--|-----------------|
| \$0 to \$25 million | 0.25% |
| greater than \$25 million to \$50 million | 0.15% |
| greater than \$50 million to \$250 million | 0.05% |
| greater than \$250 million | 0.00% |

Premiums written on risks and property situated outside of the state upon which tax is paid, is not subject to tax.

Annual maximum aggregate tax on gross premiums to be paid by a captive insurance company shall not exceed \$200,000.

Other Taxes and Assessments:

§ 431:7-202 Ocean Marine

0.8775% tax on gross underwriting profit for ocean marine insurance

§§ 386-151 to 386-153 Special Compensation (Second Injury) Fund

Assess workers' compensation insurers amount sufficient to meet expenses of fund in addition to premium tax.

§ 237-29.7 General Excise

Generally, insurance companies are exempt from the general excise tax. However, this exemption does not apply to gross income or gross proceeds received as rents from investments in real property in Hawaii; provided that gross income or gross proceeds from investments in real property received by insurance companies after Dec. 31, 1991, under written contracts entered into before Jan. 1, 1992, that do not provide for the passing on of taxes or tax increases shall not be taxed until the contracts are renegotiated, renewed or extended.

§ 435C-5 Medical Malpractice Joint Underwriting Association

Insurers that are members of the plan may be assessed for losses of the plan based on net direct premiums for general casualty insurance.

§§ 431P-5; 431P-16 Hurricane Relief Fund

Assessments are imposed on the premiums of all licensed property and casualty insurers and surplus lines insurers. Prior to a covered event, the assessment is 3.75% of direct written premiums for licensed property and casualty insurers and 3% of comparable premiums charged by surplus lines insurers, in each case excluding premiums for motor vehicle insurance. Following a covered event, the rate of assessment may be increased to 5% and may also be imposed on premiums for motor vehicle insurance. Assessments are imposed and collected on a quarterly basis. Following a hurricane, the Fund may impose a surcharge of up to 7.5% on property and casualty policy premiums. Because the private insurance market now provides hurricane insurance in Hawaii, the Fund has suspended its insurance operations as of Dec. 1, 2001. The Fund's assessments on property and casualty premiums of licensed property and casualty insurers and surplus lines brokers have been suspended as of Sept. 30, 2001.

§ 431:2-215 Compliance Resolution Fund

The insurers or entities shall be provided at least sixty days notice of when their respective assessments are due. The total amount or amounts to be assessed of insurer or entities shall be calculated based on the formula prescribed in § 431:2-215(d). The assessments by line or type shall bear a reasonable relationship to the costs of regulating the line or type of insurance, including any administrative costs of the division. The total assessments for all lines or type of insurance in any one fiscal year shall not exceed \$5 million.

Other Taxes and Assessments (cont.)

§ 431:2-216 Mutual Benefit Society and Health Maintenance Organization Assessment

Each mutual benefit society, health maintenance organization, and any other entity offering or providing health benefits or services under the regulation of the commissioner, except an insurer licensed to offer accident and health or sickness insurance under Art. 10A, shall deposit with the commissioner by July 1 of each year an assessment on a pro rata basis to be determined and imposed by the commissioner. The aggregate annual assessment shall not exceed \$1 million.

§§ 431:16-108; 431:16-115 Property and Casualty Guaranty Association

Association may assess insurers writing property/casualty insurance no more than 2% net direct premiums to cover deficiency. Recoup by surcharge on premiums.

§ 431:16-209 Life and Health Guaranty Association

Association may assess insurers no more than 2% of the average premiums received in this state on the policies and contracts covered by the account during the three calendar years preceding the year in which the insurer became impaired or insolvent. The association may also assess an amount not to exceed \$300 per year for administrative expenses.

§ 431:7-204 Preemption

Taxes and fees here imposed are in lieu of other taxes by state and other political subdivisions except taxes on real property, personal property and rental proceeds.

Exclusions and Deductions:

§ 431:16-115 Property and Casualty Guaranty Association

Recoupment of property and casualty guaranty association assessments are not considered premiums for purpose of tax calculations.

Crop Insurance

Hawaii does not collect premium tax on federally reinsured crop insurance.

§ 432:2-503 Fraternal

Fraternal are exempt from premium taxes.

Credits:

§ 431:7-207 Tax Credit to Facilitate Regulatory Oversight

Insurer may take a tax credit of 1% of premiums against which tax is imposed if the insurer maintains in Hawaii books and records sufficient to conduct an examination, employs in Hawaii personnel knowledgeable about insurer's financial operations and who are authorized to represent the insurer in all matters pertaining to examinations, and maintains in Hawaii a customer service center with employees authorized to promptly adjust, settle and pay claims and to promptly answer all questions regarding the insurance policies.

§§ 235-110.8 and 431:7-208 Low-Income Housing Tax Credit

Low-income housing tax credit may be used as a credit against the insurance premium tax.

§§ 235-110.9 and 431:7-209 High Technology Business Investment Tax Credit

Insurers may receive a tax credit for investments in qualified high technology businesses ("QHTB"). [See § 235-110.9(g) for the definition of a QHTB.] The high technology business investment tax credit may be used as a credit against the insurance premium tax, provided that the required certification requirements have been met for investments made after June 30, 2004. This section shall not apply to taxable years beginning after Dec. 31, 2010.

If the tax credit under this section exceeds the taxpayer's income tax liability for any of the five years that the credit is taken, the excess of the tax credit over liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

§ 431:16-213 Life and Health Guaranty Association

Assessments, other than those for administrative expenses, may be recouped at a rate of 20% per year for each of the five years following the year in which the assessment was paid.

§ 431:7-206 Retaliatory Tax Credit

If any Hawaii domiciled insurer shall be required to pay higher taxes in other states than those taxes which are imposed against that state's domestic insurers, Hawaii companies may claim a credit of that amount against their premium taxes.

§ 201H-86 Low-Income Housing Tax Credit Loan

The Hawaii Housing Finance and Development Corporation may issue a no-interest loan to owners of low-income buildings who are eligible for the low-income housing tax credit under § 235-110.8. The loan is issued in lieu of the tax credit and any taxpayers who accept the low-income housing tax credit loan are ineligible to claim the low-income housing tax credit on the building. Takes effect July 1, 2011, and applies to any low-income housing buildings placed in service after Dec. 31, 2011.

Filing and Payment Due Dates:

§ 431:7-201 Annual and Monthly Tax Statements

Each insurer shall file electronically the annual tax statement on or before Mar. 1.

Each insurer shall file electronically monthly tax statements on or before the 20th day of the calendar month following the month in which the taxes accrue.

§ 431:7-202

Taxes shall be paid monthly and annually by electronic payment on or before the filing due dates noted above.

Amounts paid are credited against the annual tax due Mar. 1.

Penalties:

§ 431:7-201

Any insurer not filing electronically the monthly or annual tax statement shall be liable for a fine of not less than \$100 and not more than \$500 for each day of delinquency.

§ 431:7-202

Fine of \$500 or 10% of tax due, whichever is greater, plus interest at a rate of 12% per annum. May suspend certificate of authority until paid.

Extensions:

→ § 431:7-101

The commissioner shall notify the holder of a certificate of authority issued under article 3 by written notice at least thirty days prior to the extension date of the certificate of authority, or other certificate. The annual fee for all services shall be due and payable by electronic payment via the National Association of Insurance Commissioners' Online Premium Tax for Insurance or an equivalent service approved by the commissioner. If the fee is not paid before or on the extension date, the fee shall be increased by a penalty in the amount of fifty per cent of the fee. The commissioner shall provide notice in writing of the delinquency of extension and the imposition of the authorized penalty. If the fee and the penalty are not paid within thirty days immediately following the date of notice of delinquency, the commissioner may revoke, suspend, or inactivate the certificate of authority, or other certificate, and may not reissue, remove the suspension of, or reactivate the certificate of authority, or other certificate until the fee and penalty have been paid.

The commissioner shall notify licensees and registrants by written notice at least 30 days prior to the extension date of the license or registration. If the fee is not paid before or on the renewal date for a license or registration, the fee shall be increased by a penalty in the amount of double the unpaid renewal fee.

Extensions (cont.)

§ 431:7-101 (cont.)

Failure to pay the fee before or on the **renewal or** extension date for a license, registration, or other certificate shall cause the automatic inactivation of the license, registration, or other certificate.

All fees and penalties are nonrefundable and shall be deposited to the credit of the compliance resolution fund.

Retaliatory Law:

Hawaii does not impose retaliatory taxes.

FEES

Insurers' Fees:

§§ 432:1-108; 431:7-101; 432G-12; 431K-7.1; 431K-3.5; Haw. Admin. R. §§ 16-17-6; 16-23-68

Certificate of authority or registration application (fees due at time of application):

| | |
|---|-------|
| All insurers, including Mutual Benefit Society (MBS), Dental, HMO, and Fraternal Benefit Societies (FBS) | \$900 |
| Risk Purchasing Group and Foreign Risk Retention Group | 300 |
| Motor vehicle self-insurance..... | 300 |

Certificate of authority issuance (fees due at time of application):

| | |
|---|-----|
| All insurers, including MBS, HMO, Dental, and FBS | 600 |
|---|-----|

Domestic insurers and affiliated corporations:

| | |
|--|-------|
| Application for a solicitation permit/certificate of registration..... | 1,500 |
| Issuance of solicitation permit/certificate of registration..... | 150 |

Annual service fees:

| | |
|--|-----|
| Including certificate of authority/registration extension/renewal (due on or before Aug. 16) | |
| All others | 600 |
| Risk Purchasing Group and Foreign Risk Retention Group..... | 150 |

Hawaii Joint Underwriting Plan fee:

| | |
|---|-------|
| Vehicle writers only (due on or before Aug. 16) | 1,000 |
|---|-------|

Captive insurers' application and licensing fees:

| | |
|------------------------------|-------|
| Application..... | 1,000 |
| Class 1 and 2 licensing..... | 300 |
| Class 3 licensing | 500 |
| Class 4 and 5 licensing..... | 1,000 |

→ Producer Licensing Fees:

§§ 431:7-101; 431:31-107

Resident producer license:

| | |
|------------------------|------|
| License | \$50 |
| Temporary license..... | 50 |

Nonresident producer:

| | |
|---------------|----|
| License | 75 |
|---------------|----|

Independent adjuster:

| | |
|---------------|----|
| License | 75 |
|---------------|----|

Public adjuster:

| | |
|---------------|----|
| License | 75 |
|---------------|----|

Claims adjuster’s limited license:

| | |
|----------------------|----|
| Limited license..... | 75 |
|----------------------|----|

Administrator:

| | |
|---------------|-----|
| License | 150 |
|---------------|-----|

Independent bill reviewer:

| | |
|---------------|----|
| License | 80 |
|---------------|----|

Life settlement provider:

| | |
|---|-----|
| License – issuance before July 1, 2014..... | 150 |
| License – issuance on or after July 1, 2014 | 75 |

Life settlement broker:

| | |
|---|-----|
| License – issuance before July 1, 2014..... | 150 |
| License – issuance on or after July 1, 2014 | 75 |

Limited producer’s license:

| | |
|----------------------|----|
| Limited license..... | 60 |
|----------------------|----|

Managing general agent:

| | |
|---------------|----|
| License | 75 |
|---------------|----|

Reinsurance intermediaries:

| | |
|---------------|----|
| License | 75 |
|---------------|----|

Surplus lines:

| | |
|------------------------------|-----|
| Broker license issuance..... | 150 |
|------------------------------|-----|

Pharmacy benefit manager’s:

| | |
|---------------|-----|
| License | 140 |
|---------------|-----|

Producer Licensing Fees (cont.)

§§ 431:7-101; 431:31-107 (cont.)

Service contract provider’s:

License \$75

Approved course provider certificate:

License 100

Approved continuing education course certificate:

License 30

Vehicle protection product warrantor’s:

License 75

Limited line motor vehicle rental company:

Producer license 1,000

Limited lines portable electronics producer:

License 5,000

Limited lines self-service storage producer:

License 60

Additional services:

*All services (including extension of the license) for a regularly licensed authorized insurer,
per year 600

*All services (including extension of the license) for a regularly licensed resident producer,
per year 50

*All services (including extension of the license) for a regularly licensed nonresident producer,
per year 75

*All services (including extension of the license) for a regularly licensed independent adjuster,
per year 45

*All services (including extension of the license) for a regularly licensed public adjuster,
per year 45

*All services (including extension of the license) for a claim’s adjuster limited license,
per year 45

*All services (including extension of the license) for an administrator’s license,
per year 150

*All services (including extension of the license) for a life settlement provider,
per year 1,200

*All services (including extension of the license) for a life settlement broker,
per year 150

*All services (including extension of the license) for a producer’s limited license,
per year 45

*All services (including extension of the license) for a managing general agent,
per year 75

Producer Licensing Fees (cont.)

§§ 431:7-101; 431:31-107 (cont.)

Additional services (cont.)

- *All services (including extension of the license) for a reinsurance intermediary,
per year..... \$75
- *All services (including extension of the license) for a licensed surplus lines broker 45
- *All services (including extension of the license) for a regularly licensed
independent bill reviewer 60
- *All services (including extension of the license) for a regularly licensed
limited line motor vehicle rental company producer..... 600
- *All services (including extension of the license) for a regularly licensed
limited lines portable electronics producer..... 2,500
- *All services (including extension of the license) for a regularly licensed pharmacy benefit
manager, per year..... 140
- *All services (including extension of the license) for a regularly licensed service contract provider,
per year..... 75
- *All services (including extension of the license) for a regularly licensed approved course provider,
per year..... 65
- *All services (including extension of the license) for a regularly licensed approved continuing
education course, per year 20
- *All services (including extension of the license) for a regularly licensed vehicle protection product
warrantor, per year 75
- *All services (including extension of the license) for a regularly licensed limited lines self-service
storage producer, per year 45
- *All services (including extension of the license) for a regularly licensed authorized legal service
plan, per year 500

**The services referred to do not include services in connection with examinations, investigations, hearings, appeals and deposits with a depository other than the Department of Commerce and Consumer Affairs.*

DEPOSITS

§ 431:3-205 Domestic insurers

Deposit amount equal to the paid-up capital stock (stock insurer) or surplus (reciprocal or mutual insurer) as required in this state.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

§ 431:3-209 Alien and foreign insurers

Maintain a deposit equal to paid-up capital stock (stock insurer) or surplus (reciprocal or mutual insurer) as required in this state or submit certificate of the public official having supervision over insurance in another state that a deposit is maintained in another state. The deposit must be for the benefit of all the insurer’s policyholders and obligees in the United States. The amount must meet state requirements and may not be less than \$500,000.

CONTACT PERSON

Premium Taxes

Jenny Fujiwara: (808) 586-7380; jfujiwar@dcca.hawaii.gov

Andy Chow: (808) 586-3874; achow@dcca.hawaii.gov

Producer Licensing Fees

Emily Rakieten: (808) 586-2788; arakiete@dcca.hawaii.gov

Insurer Licensing Fees

Irene Y. Baek: (808) 586-8151; ibaek@dcca.hawaii.gov

Captive Fees

Andrew Kurata: (808) 586-0981; akurata@dcca.hawaii.gov

Deposits

Andy Chow: (808) 586-3874; achow@hawaii.gov

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IDAHO

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Idaho Code Ann. § 41-402

As to life insurers, gross premiums received on direct risks resident in this state, less returned premiums and dividends paid or credited. Annuity considerations and amounts received for life insurance issued under qualified retirement plans are not included. As to insurers other than life, gross direct premiums on subjects of insurance resident, located or performed in this state, less returned premiums, dental only policy premiums, premiums on policies not taken, and dividends paid or credited. Report total premiums written through associations, trusts or groups that are sited in a state other than Idaho but are for residents or risks located in Idaho and have not been included as Idaho premiums on Schedule T. **Idaho law does not permit an exemption from payment of premium tax on Idaho risks based on the Rule of 500 or any other allocation method.** Stand-alone dental insurance is taxed separately (see below). If dental coverage is included in a medical policy, it is all taxable premium. As to title and surety/bail insurers, gross premium means the insurance risk portion of the amount charged.

Tax Rate:

§§ 41-402; 41-3715; 41-3922

1.5%

Includes Blue Cross and Blue Shield corporations that are mutual insurers, hospital liability trust, managed care organizations.

§ 41-402

1.5% title insurance

§ 41-402

Stand-alone dental care services and dental insurance contracts authorized by title 41, Idaho Code are taxed at \$0.04 per contract, per month. Calculate taxes on dental at \$0.04 per contract (each insured, group certificate holder or blanket policy participant) per month.

Tax Rate (cont.)

§§ 41-1233; 41-1229; Idaho Admin. Code 18.06.06

Surplus line taxes are paid by the Idaho licensed resident or nonresident broker pursuant to the surplus line laws of this state. The broker shall file with the surplus lines association a report within 30 days of procurement and pay a stamping fee of 0.50% (0.0050). The premium tax is paid to the director annually on or before Mar. 1 at the following rates:

1.5% surplus line tax rate

[Note: Please see the Surplus Lines chart for further information.]

§ 41-4805

Risk retention groups taxed same as foreign admitted insurer.

Other Taxes and Assessments:

§ 41-268 Arson, Fire and Fraud Prevention Account

Not separately assessed; included in the continuation fee as stated in Bulletin 00-3.

§ 72-327 Industrial Special Indemnity Fund

Companies transacting workers' compensation insurance are required to pay an assessment each year for deposit to the industrial special indemnity fund. The assessment is based on the expenses of the fund and apportioned pro rata based upon the proportionate share of the gross amount of indemnity benefits paid on Idaho workers' compensation claims. In no case will the assessment on an insurer be less than \$200 semiannually and \$400 per year, paid to the Idaho Industrial Commission.

§ 72-523 Workers Compensation; § 72-306A Deductible Contract

A 2% workers' compensation tax is collected by the Idaho Industrial Commission, in addition to the regular premium tax due. The minimum tax due is \$75 semiannually. The policyholder may also choose a contract with large deductibles. The premium tax paid to the Idaho Industrial Commission for large deductible policies will be calculated based on premiums which would have been charged but for the deductible.

§ 41-3427 Hospital and Professional Service Corporations Tax

Pay tax at a rate of \$0.04 per subscriber contract per month in lieu of premium tax.

§ 41-4012 Self-Funded Health Care Plans

Taxed at a rate of \$0.04 per beneficiary per month. Plans exempted from DOI regulation by ERISA law, with the exception of MEWAs or PEO plans, are not regulated or taxed.

Other Taxes and Assessments (cont.)

§ 41-3608 Property and Casualty Guaranty Association

Association may assess member insurers an amount no greater than 1% net direct premiums written for lines covered by account with deficiency.

§ 41-4309 Life and Health Guaranty Association

May assess member insurers no more than 2% net written premiums for kinds of coverage in account with deficiency plus an assessment for the pro rata share of administrative expenses, which shall be credited against future insolvency assessments.

§ 41-405 Preemption

Payment of premium tax shall be in lieu of all other taxes except on real property. No political subdivision may assess any additional tax.

§§ 41-6001; 41-6006 Idaho Immunization Fund Assessment

Insurance entities are annually assessed on total number of program eligible children in the Idaho immunization reminder information system registry who receive vaccines, purchased and administered through the Idaho immunization program, for the previous state fiscal year. The assessment is in lieu of insurers purchasing childhood vaccines from providers on a per dose basis.

Exclusions and Deductions:

§ 41-402 Governmental Entities

Domestic reciprocal companies exclusively insuring members who are governmental entities shall be exempt from premium tax. Domestic reciprocals doing exclusively workers' compensation business are exempt from tax.

§ 41-3223 Fraternal

Fraternal benefit societies are exempt from payment of premium taxes.

Department Policy

The insurance department interprets 42 USCA 4014(B)(iii)(2) to exempt premiums paid for flood insurance under the national flood insurance program.

Credits:

§ 72-523 Workers' Compensation Tax Credit

Workers' compensation premium tax paid to the Idaho Industrial Commission semi-annually may be credited against the regular premium tax liability to the Department of Insurance. Any insurer making any payment into the Industrial Administration Fund, shall be entitled to deduct from the total premium tax due, either the lesser of the actual workers compensation premium tax liability or 50% of the premium tax paid to the Idaho Industrial Commission. The allowable credit cannot exceed the workers compensation premium tax liability.

§ 41-3616 Property and Casualty Guaranty Association

Assessments other than administrative assessment may be offset against premium tax liability limit to the extent of 20% of the assessment for each of the five calendar years beginning with the premium tax due under § 41-402(4) with respect to the year of payment of the assessment and thereafter with the premium tax due under § 41-402(4) during each of the four succeeding years. An allowable offset, or portion thereof, not used in any calendar year cannot be carried over or back to any other year.

§ 41-4313 Life and Health Guaranty Association

Assessments other than administrative assessment may be offset against premium tax liability limit to the extent of 20% of the assessment for each of the five calendar years beginning with the premium tax due under § 41-402(4) with respect to the year of payment of the assessment and thereafter with the premium tax due under § 41-402(4) during each of the four succeeding years. An allowable offset, or portion thereof, not used in any calendar year cannot be carried over or back to any other year.

Form Filing:

→ § 41-210(4) Method of Filing

The Idaho Department of Insurance has adopted a mandatory e-file program and no longer accepts paper filings. Effective Jan. 1, 2019, all tax and fee filings, including premium tax statements, quarterly estimates, and continuation fee statements, must be submitted electronically by one of the following methods:

- (1) Directly through TriTech Premium Pro software; or
- (2) Idaho Department of Insurance Electronic Filing System, located at <https://nonsub.tritechsoft.com/>

Payment Due Dates:

§ 41-402

Return due on or before Mar. 1. If last year's tax was \$400 or more, quarterly prepayments shall be made. Prepayments are based on prior years' business at current year's rates, pay 60% of tax due on or before June 15, 20% on or before Sept. 15, and 15% on or before Dec. 15. Pay any balance due with Mar. 1 return. All zero tax filings are required for prepayment and annual tax forms.

Penalties:

§§ 41-404; 41-1230; 41-4805(3); 41-3427(2)

Penalty of \$25 a day for each day of delinquency. Director shall suspend certificate of authority for any delinquent insurers.

§ 41-327

Director may impose penalty of up to \$5,000 or revoke certificate of authority if fail to pay premium tax due.

Extensions:

§ 41-404

May grant extension of not to exceed 30 days, for filing of the NAIC annual financial statement in § 41-335. Request for NAIC annual financial statement extensions must be submitted in writing prior to due date. No extension is granted for submitting premium tax due.

Retaliatory Law:

§ 41-340

When any taxes in the aggregate assessed against Idaho insurers are greater than Idaho would assess against similar insurers, retaliation will occur. Any taxes assessed by political subdivisions are considered assessed by the state. This shall not apply to personal income taxes, ad valorem taxes on real or personal property, nor to special use assessments imposed on particular kinds of insurance other than property insurance. When an obligation is imposed on Idaho insurers or their producers in excess of obligations imposed on similar insurers or producers of another state or country, the same obligation will be imposed on insurers or producers seeking to do business in Idaho. "Obligation" includes license, fee, fine, penalty, deposit requirement, prohibition, or restriction.

§ 41-288

If any state imposes a sanction, fine, penalty, or deposit requirement on any Idaho-domiciled insurer because of failure of Idaho to receive or maintain accreditation, the Idaho director shall impose the same requirement on insurers domiciled in that state.

FEES

Insurers' Fees:

Idaho Admin. Code 18.01.0244; § 41-4804; Bulletin 00-3

Certification services:

Certified copy of certificate of authority..... \$50

Miscellaneous services:

Director's certificate under seal (except certificate of authority, certified copies thereof or licenses) 20

Each copy of document filed in his office; a reasonable cost as fixed by the director.

For rate and form filings not submitted electronically through the national System for Electronic Rate and Form Filing (SERFF)—\$20 for each rate or form filed in excess of 10 per calendar year.

Valuing life insurance, actual cost of valuation but not to exceed one cent for each one thousand dollars (\$1,000) of insurance.

Receiving and forwarding copy of summons or other process served upon the director, as process agent of an insurer 30

Receiving and forwarding copy of summons or other process served upon the director as process agent of a nonresident producer, broker, or consultant 30

Continuation fee:

An annual continuation fee covers most costs, other than those listed above. The fee is due Mar. 1 and is based upon company surplus at the preceding Dec. 31:

Surplus less than \$10,000,000 1,000
 Surplus greater than \$10,000,000 but less than \$100,000,000 2,500
 Surplus greater than \$100,000,000 4,500

Fees for other licensed, listed or otherwise approved entities 500

Fees for purchasing groups 100

Producer Licensing Fees:

§ 41-2710; Idaho Admin. Code 18.01.02

Filing application for original license, including license if issued:

| | |
|--|-------|
| Administrators (original application)..... | \$300 |
| Producers; per license | 80 |
| Designation as a managing general (agent) | 80 |
| Adjusters and public adjusters | 80 |
| Reinsurance intermediary | 80 |
| Surplus lines brokers..... | 80 |
| Life settlement providers | 500 |
| Life settlement brokers | 300 |
| Independent review organization..... | 500 |
| A vendor of portable electronic insurance who is engaged in portable electronic transactions at more than 10 locations in the state of Idaho | 1,000 |
| A vendor of portable electronic insurance who is engaged in portable electronic transactions at 10 or fewer locations in the state of Idaho | 100 |

License renewal:

| | |
|--|-----|
| Adjusters, public adjusters, and producers (biennial) | 80 |
| If renewed electronically | 60 |
| A vendor of portable electronic insurance who is engaged in portable electronic transactions at more than 10 locations in the state of Idaho | 500 |
| A vendor of portable electronic insurance who is engaged in portable electronic transactions at 10 or fewer locations in the state of Idaho | 100 |
| Administrators (biennial)..... | 80 |
| Surplus lines brokers (biennial) | 80 |
| If renewed electronically | 60 |
| Life settlement providers (biennial)..... | 300 |
| Life settlement brokers (biennial)..... | 80 |
| Independent review organization (biennial) | 300 |

Title agent:

| | |
|---------------------------|----|
| License application | 50 |
| License renewal | 50 |

Examination fees:

| | |
|---|---------|
| Producers, public adjusters, and adjusters - Application for examination and each time taken, other than as to variable contracts | set fee |
|---|---------|

Processing fingerprints, where required..... not to exceed 80

Redesignation as managing general agent (annual)..... 80

Fees may be paid by producer or company. Retaliation occurs as each producer pays fee. All fees are nonrefundable except as noted.

DEPOSITS

§ 41-316

A deposit of \$1,000,000 is required for a domestic insurer. A foreign insurer may present instead a certificate certifying membership in the guaranty association, and a certificate of deposit in the amount of \$1,000,000 or greater for the benefit of all policyholders from its state of domicile.

→ CONTACT PERSON

→ Premium Tax Specialist

Lynn Shelton: (208) 334-4281; lynn.shelton@doi.idaho.gov

→ Technical Records Specialist II

Jayashree Vinayagamoothy: (208) 334-4282; jayashree.vinayagamoothy@doi.idaho.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

ILLINOIS

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

All insurers are subject to the annual privilege tax based on the net taxable direct premium written reduced by return premiums and dividends as filed in the annual statement. It does not include annuity considerations, premiums on which state premium taxes are prohibited by federal law, premiums paid by the state for health care coverage for Medicaid eligible insureds as described in Section 5-2 of the Illinois Public Aid Code, and premiums for deferred compensation plans for employees of the state, units of local government or school districts.

Tax Rate:

215 Ill. Comp. Stat. (ILCS) 5/123B-4

Risk retention group taxed same as foreign admitted insurer.

215 ILCS 5/409 Privilege Tax

All companies doing insurance business in Illinois, except health, must pay an annual privilege tax of 0.5% of the net taxable premiums written for the taxable year. The rate is 0.4% of health premiums.

Other Taxes and Assessments:

35 ILCS 5/201 Income Tax

All companies are liable for income tax on net income apportioned to Illinois. Quarterly estimates due. Allowed as a privilege tax deduction if the income tax paid in a calendar year exceed 1.5% of the premiums written in the same calendar year. Allowance for all income tax paid in a calendar year by showing in the retaliatory tax computation as a state of Illinois basis item.

215 ILCS 5/416 Illinois Workers' Compensation Commission Operations Fund Surcharge

Every company licensed or authorized by the department of insurance and insuring employers' liabilities arising under the workers' compensation act shall pay a surcharge of 1.01% upon the work comp annual direct written premium. This surcharge is a separate stated surcharge on insured employers and IS NOT included in retaliatory calculation.

425 ILCS 25/12; IAC 2500.10 to 2500.140 Fire Marshal Tax

Annual tax is 1% of premium on fire, and the element of fire coverage on sprinkler leakage, riot, civil commotion, explosion and motor vehicle as determined by the annual worksheet. Also included in retaliatory calculation.

Other Taxes and Assessments (cont.)

65 ILCS 5/11-10-1 Fire Department Tax

Foreign fire insurers shall pay a tax equal to 2% of fire premium to the local municipality or fire protection district for the benefit of their fire department. Payments to the Illinois Municipal League do not require proof of payment but payments to the city of Chicago, Cicero, East St. Louis and Wilmette require proof of payment. Total paid is offset to the privilege tax and included in the retaliatory calculation.

35 ILCS 5/304 Personal Property Replacement Income Tax

Imposed on net income of every corporation for privilege of earning income in state. Statute tells how to allocate insurance business in Illinois. Included in retaliatory calculation.

820 ILCS 305/7 Workers' Compensation Rate Adjustment Fund

Pay 1.25% of all compensation payments into fund. NOT included in Illinois retaliatory tax computation.

820 ILCS 305/7 Second Injury Fund

Pay 0.125% of all compensation payments into this special fund. NOT included in Illinois retaliatory tax computation.

215 ILCS 105/12 Comprehensive Health Insurance Plan

Insurers may be assessed to cover the expenses of the plan. Each insurers' share of the deficit is based on its share of the total direct premiums. The board of directors shall have the assessment authority to pay off a loan that is projected to be outstanding for 3 years or more, and to increase the assessment to 3% of the net direct written premiums for the previous year until the loan has been paid in full. NOT included in retaliatory calculation.

215 ILCS 5/537.6 Property and Casualty Insurance Guaranty Fund

May assess member insurers no more than 1% net direct written premium on the kinds of insurance in the account with the deficiency. Assessments of 2% may be made, regardless of when the insolvency occurred. NOT included in retaliatory calculation.

215 ILCS 5/531.09 Life and Health Guaranty Association

May assess member insurers for administrative expenses and an amount not to exceed 2% of average net premiums for past three years for types of insurance in account or subaccount with deficiency. NOT included in retaliatory tax computation.

215 ILCS 5/415 Preemption

The fees and taxes provided for by this article are in lieu of all other taxes and fees. No political subdivision may impose any other tax or fee, except for property taxes and fire department tax.

Exclusions and Deductions:

215 ILCS 5/304.2 Fraternal Benefit Societies

Fraternals are exempt from tax.

Payment Due Dates:

215 ILCS 5/409; 5/444.1

The final return is due Mar. 15. If prior year total tax was more than \$5,000 a quarterly return must be filed. Quarterly installments of privilege tax and retaliatory tax due by April 15, June 15, Sept. 15, and Dec. 15. Quarterly estimates must equal 80% of current year's tax or 100% of last year's tax. (The year's tax is the privilege tax plus the retaliatory tax.)

Penalties:

215 ILCS 5/412

Penalty for failure to file return is \$400 or 10% of tax, whichever is greater, for each month or part of month; the entire penalty shall not exceed the greater of 50% of tax or \$2,000. Penalty for late payment or underpayment is 10% of deficiency. For willful violations, the penalty is 50% of the deficiency or 10% of the amount due and unpaid for each month. In addition to the penalty, add interest at the rate established by I.R.C. § 6621.

Extensions:

None.

Retaliatory Law:

215 ILCS 5/444

Any taxes, licenses or other fees in the aggregate, or any fines, penalties, deposit requirements as would be imposed on Illinois insurers as a condition precedent to their doing business in other states that would exceed those Illinois imposes on insurers, agents or representatives of insurers domiciled in other states, shall result in a retaliatory tax. This tax shall not apply to residual market or special purpose assessments or guaranty fund or guaranty association assessments under the laws of this state and under the laws of any other state or country.

The taxes, licenses or other fees for the Illinois basis includes only those found in Article XXV of the Illinois Insurance Code. Retaliatory tax is calculated in the aggregate for all insurance taxes and fees.

FEES

Taxes and fees used in the retaliatory tax computation are those found in the code sections referenced below.

→ Insurers' Fees:

215 ILCS 5/408 to 5/415; 5/123A-4

[Fees in brackets were in effect prior to 5/13/22. *Fees in italics in effect 5/13/22.*]

Certificate of authority application:

| | |
|--|---------------|
| Filing all documents submitted for the incorporation or organization or certification of a domestic company, except for a fraternal benefit society | \$2,000 |
| Filing all documents submitted for the incorporation or organization of a fraternal benefit society | 500 |
| Filing amendments to articles of incorporation and amendments to declaration of organization, except for a fraternal benefit society, a mutual benefit association, a burial society or a farm mutual..... | 200 |
| Filing amendments to articles of incorporation of a fraternal benefit society, a mutual benefit association or a burial society..... | 100 |
| Filing amendments to articles of incorporation of a farm mutual..... | 50 |
| Filing bylaws or amendments thereto | 50 |
| Filing all documents submitted by a foreign or alien company to be admitted to transact business or accredited as a reinsurer, except for a fraternal benefit society..... | 5,000 |
| Filing all documents submitted by a foreign or alien fraternal benefit society to be admitted to transact business..... | 500 |
| Filing declaration of withdrawal of a foreign or alien company..... | 50 |
| <i>Filing a Plan of Division of a domestic stock company.....</i> | <i>10,000</i> |

Reinsurance:

| | |
|---|--------------|
| Filing agreements of reinsurance by a domestic company | 200 |
| <i>Filing documents for certified reinsurer status.....</i> | <i>1,000</i> |
| <i>Renewal of certified reinsurer status.....</i> | <i>400</i> |
| <i>Filing documents for reciprocal jurisdiction status.....</i> | <i>1,000</i> |
| <i>Renewal of reciprocal jurisdiction status.....</i> | <i>400</i> |

Annual statement:

| | |
|--|-----|
| Filing annual statement by a domestic company, except a fraternal benefit society, a mutual benefit association, a burial society or a farm mutual | 200 |
| Filing annual statement by a domestic fraternal benefit society | 100 |
| Filing annual statement by a farm mutual, a mutual benefit association, or a burial society | 50 |

Certificate of authority:

| | |
|--|-----|
| Issuing a certificate of authority or renewal thereof except to a foreign fraternal benefit society..... | 400 |
| Issuing a certificate of authority or renewal thereof to a foreign fraternal benefit society | 200 |
| Issuing an amended certificate of authority. | 50 |

Insurers' Fees (cont.)

215 ILCS 5/408 to 5/415; 5/123A-4 (cont.)

[Fees in brackets were in effect prior to 5/13/22. *Fees in italics in effect 5/13/22.*]

Miscellaneous services:

| | |
|--|-------------|
| Each certified copy of certificate of authority | \$20 |
| Each certificate of deposit, or valuation, or compliance or surety certificate..... | 20 |
| Copies of papers or records per page..... | 1 |
| Each certification to copies of papers or records | 10 |
| Multiple copies of certificate of authority, certificate of deposit, or other certified copies: | |
| First copy of a certificate of any type..... | 10 |
| Each additional copy of the same certificate requested at the same time, unless the Director finds these additional fees excessive..... | 5 |
| Copy of any document subject to public inspection and maintained on a computer processable medium..... | actual cost |
| Issuing any other certificate required or permissible under the law | 50 |
| Service of process | [20]40 |

Mergers and acquisitions:

| | |
|--|-------|
| Filing agreement of merger or consolidation: | |
| For a domestic company, except for a fraternal benefit society, a mutual benefit association, a burial society or a farm mutual..... | 2,000 |
| For a foreign or alien company, except for a fraternal benefit society..... | 600 |
| For a fraternal benefit society, a mutual benefit association, a burial society or a farm mutual | 200 |
| Filing a plan of exchange of the stock of a domestic stock insurance company, a plan of demutualization of a domestic mutual company, or a plan or reorganization..... | 2,000 |
| Filing a statement of acquisition of a domestic insurance company..... | 2,000 |
| Filing a statement of acquisition of a foreign or alien insurance company..... | 1,000 |
| Issuing a permit to sell shares or increase paid-up capital: | |
| in connection with a public stock offering | 300 |
| in any other case..... | 100 |
| Filing an agreement to purchase the business of an organization authorized under the dental, vision, pharmaceutical, or voluntary health service plan acts or a health maintenance organization..... | 2,000 |
| Filing a registration statement..... | 200 |

Other licenses:

| | |
|---|-------|
| Filing an application for licensing of: | |
| Religious or charitable risk pooling trust or a workers' compensation pool..... | 1,000 |
| Workers' compensation service company..... | 500 |
| Self-insured automobile fleet | 200 |
| Renewal of or amendment of any license issued pursuant to the above | 100 |
| Advisory organizations..... | 50 |

Insurers’ Fees (cont.)

215 ILCS 5/408 to 5/415; 5/123A-4 (cont.)

[Fees in brackets were in effect prior to 5/13/22. *Fees in italics in effect 5/13/22.*]

Form filing fees:

| | |
|---|------|
| Policy forms..... | \$50 |
| Advisory organizations’ form filings..... | 200 |

A policy filed as it will be issued regardless of the number of forms shall not exceed \$1,500. A policy filed by an advisory organization, as it will be issued regardless of the number of forms shall not exceed \$2,500. (Effective Aug. 26, 2011.)

Financial Regulation Fee:

The fee for domestic companies is based on a combination of nationwide direct premium income and nationwide reinsurance assumed premium income or admitted assets, whichever results in the larger amount:

| Premium | Fee |
|--|--------|
| If the premium is less than \$500,000 and there is no reinsurance assumed premium | \$150 |
| If the premium is \$500,000 or more, but less than \$5,000,000 and there is no reinsurance assumed premium; or if the premium is less than \$5,000,000 and the reinsurance assumed premium is less than \$10,000,000 | 750 |
| If the premium is less than \$5,000,000 and the reinsurance assumed premium is \$10,000,000 or more | 3,750 |
| If the premium is \$5,000,000 or more, but less than \$10,000,000 | 7,500 |
| If the premium is \$10,000,000 or more, but less than \$25,000,000 | 18,000 |
| If the premium is \$25,000,000 or more, but less than \$50,000,000 | 22,500 |
| If the premium is \$50,000,000 or more, but less than \$100,000,000 | 30,000 |
| If the premium is \$100,000,000 or more | 37,500 |

| Admitted Assets | Fee |
|---|--------|
| If admitted assets are less than \$1,000,000 | \$150 |
| If admitted assets are \$1,000,000 or more, but less than \$5,000,000 | 750 |
| If admitted assets are \$5,000,000 or more, but less than \$25,000,000 | 3,750 |
| If admitted assets are \$25,000,000 or more, but less than \$50,000,000 | 7,500 |
| If admitted assets are \$50,000,000 or more, but less than \$100,000,000 | 18,000 |
| If admitted assets are \$100,000,000 or more, but less than \$500,000,000 | 22,500 |
| If admitted assets are \$500,000,000 or more, but less than \$1,000,000,000 | 30,000 |
| If admitted assets are greater than \$1,000,000,000 | 37,500 |

Insurers' Fees (cont.)

215 ILCS 5/408 to 5/415 (cont.)

Financial Regulation Fee (cont.)

The sum of financial regulation fees for affiliated groups shall not exceed \$250,000 in the aggregate in a single year. By April 1 the affiliated group must notify the department of its members and designate one member of the group to be billed. Failure to file by April 1 will cause the affiliated companies to pay individually.

The financial regulation fee paid by foreign and alien insurers is an offset to the retaliatory tax computation. The fee for foreign insurers shall be based upon Illinois direct premium income and nationwide reinsurance assumed premium income in accordance with following schedule.

| Premium | Fee |
|--|--------|
| If the premium is less than \$500,000 and there is no reinsurance assumed premium | \$150 |
| If the premium is \$500,000 or more, but less than \$5,000,000 and there is no reinsurance assumed premium; or if the premium is less than \$5,000,000 and the reinsurance assumed premium is less than \$10,000,000 | 750 |
| If the premium is less than \$5,000,000 and the reinsurance assumed premium is \$10,000,000 or more | 3,750 |
| If the premium is \$5,000,000 or more but less than \$10,000,000 | 7,500 |
| If the premium is \$10,000,000 or more, but less than \$25,000,000 | 18,000 |
| If the premium is \$25,000,000 or more, but less than \$50,000,000 | 22,500 |
| If the premium is \$50,000,000 or more, but less than \$100,000,000 | 30,000 |
| If the premium is \$100,000,000 or more | 37,500 |

The sum of financial regulation fees for affiliated groups shall not exceed \$250,000 in the aggregate in a single year. By April 1 the affiliated group must notify the department of its members and designate one member of the group to be billed. Failure to file by April 1 will cause the affiliated companies to pay individually.

→ Producer Licensing Fees:

215 ILCS 5/408; 5/500-135; 5/445; 5/500-35; 5/511.105

Producer license:

| | |
|--|-------|
| Resident insurance producer license, biennially renewed..... | \$215 |
| Nonresident insurance producer, biennially renewed..... | 380 |
| Resident temporary insurance producer license..... | 50 |
| Registration for a business entity, biennially renewed | 150 |
| Reinstating a license (double amount of renewal fee) | 430 |
| Reinstatement fee for non-residents..... | 760 |
| Limited insurance representative license, annually renewed..... | 50 |
| Resident limited insurance representative car rental license, biennially renewed..... | 215 |
| Nonresident limited insurance representative car rental license, biennially renewed..... | 380 |
| Limited lines not on specified list, renewable biennially..... | 200 |
| Self-service storage facility limited line license, biennially | 50 |

Reinsurance intermediary:

| | |
|--|-----|
| Filing an application for licensing of a reinsurance intermediary..... | 500 |
| Renewal of reinsurance intermediary license | 200 |

Surplus lines:

| | |
|-------------------------|-----|
| Annual license fee..... | 400 |
|-------------------------|-----|

Third Party Administrator:

| | |
|-------------------------|-----|
| Annual filing fee | 200 |
|-------------------------|-----|

Examinations:

| | |
|--|-------|
| Processing of each request to take the written examination for an insurance producer license..... | 92* |
| Registration for an education provider to register | 1,000 |
| Each certified prelicensing or continuing education course | 50 |
| Renewing the certification of each such course..... | 20 |

Annual license paid by producer, not the company. There is no retaliation on agents' licensing fees.

*Candidates are now required to take two individual examinations to obtain a license, a General examination and a State examination, candidates will receive a discount of \$92 providing that the two associated exams for the license are processed on the same order. If the General examination and State examination for a line are ordered separately the candidate will be charged \$92 for each examination. The discount only applies to 2 examinations for the same line on the same order.

DEPOSITS

215 ILCS 5/26 Domestic Stock Insurers

Insurer shall maintain deposit having a fair market value equal to the minimum capital and surplus required to be maintained.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

215 ILCS 5/53 Domestic Mutual Insurers

Insurers shall maintain deposit having a fair market value equal to the minimum capital and surplus required to be maintained.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

215 ILCS 5/111 Foreign Insurer

Deposit amount equal to that required for domestics or satisfy the director that a similar deposit has been made with another state.

215 ILCS 125/2-6 HMOs

Maintain deposit having a fair market value of \$300,000.

215 ILCS 130/2006 Limited Health Service Organization

The amount will vary depending on whether company writes point of service contracts. May be up to \$200,000.

→ CONTACT PERSON

- Privilege Tax, Retaliatory Tax
(217) 782-0055
- Deposits
Cathy Suhling: (217) 557-3379
- Fee Payments
(217) 557-3379

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

INDIANA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Ind. Code § 27-1-18-2

Gross premiums minus considerations received for reinsurance of risks within Indiana from companies authorized to transact insurance in Indiana, dividends paid to resident insureds, returned premiums, and unearned premiums returned on account of cancellation. It is insurance department policy not to tax health maintenance organizations, farm mutuals, accredited reinsurers or annuities.

Tax Rate:

§ 27-1-18-2

For foreign companies, and domestics electing to pay under this section, the tax rate is 1.3%.

§ 27-7-10-15

Risk retention group taxed same as foreign admitted insurer.

Other Taxes and Assessments:

§ 22-3-3-13 Second Injury Fund

May assess insurance carriers and self-insured employers up to 2.5% of total amount of total losses paid, including medical, if, on or before Nov. 1, the fund's balance is below 135% of the previous year's total disbursements.

→ §§ 22-8-1.1-45 to 22-8-1.1-47 INSafe

May assess insurers and self-insured employers 0.75% of total amount of workers' compensation benefit paid when fund drops below \$600,000. There was an assessment in 2022.

→ § 22-3-11-2 Residual Asbestos Injury Fund

May assess insurers 0.5% of total amount of workers' compensation and occupational disease benefits paid during last calendar year. No future assessments are expected.

Other Taxes and Assessments (cont.)

§ 27-8-10-2.1 Indiana Comprehensive Health Insurance Association

Assess health insurers and prepaid health care delivery plans for losses of pool.

§ 27-6-8-7 Property and Casualty Guaranty Association

May assess member insurers up to \$50 per year for administrative expenses and up to 1% net direct written premiums for kinds of insurance in account with deficiency.

§ 27-8-8-6 Life and Health Guaranty Association

May assess member insurers no more than \$150 per year for administrative expenses and a maximum of 2% prior year's premiums for type of insurance covered by account with deficiency.

§ 27-1-18-2 Preemption

Taxes under this article are in lieu of all other taxes. No political subdivision shall impose any license or tax upon companies or agents except taxes on real or personal property.

Exclusions and Deductions:

§ 27-11-7-4 Fraternal Benefit Societies

Fraternals are exempt from payment of the premium tax.

Credits:

§ 6-3-3-10 Enterprise Zone Employers; Credit, Employment Expenditures

A taxpayer is entitled to a credit against the taxpayer's qualified state tax liability for a taxable year in the amount of the lesser of the product of 10% multiplied by the qualified increased employment expenditures of the taxpayer for the taxable year; or \$1,500 multiplied by the number of qualified employees employed by the taxpayer during the taxable year; or the amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the taxpayer's qualified state tax liability for the taxable year.

§ 6-3.1-7-2 Enterprise Zone Loan Interest Credit

A taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year if the taxpayer:

- (1) Receives interest on a qualified loan in that taxable year;
- (2) Pays the registration fee charged to zone businesses under § 5-28-15-5;
- (3) Provides the assistance to urban enterprise associations required from zone businesses under § 5-28-15-5(b); and
- (4) Complies with any requirements adopted by the board of the Indiana economic development corporation under § 5-28-15 for taxpayers claiming the credit under this chapter.

Credits (cont.)

§ 6-3.1-34-11 Redevelopment Tax Credit

A taxpayer may claim a credit against the taxpayer's state tax liability for a taxable year only if the corporation awards a credit to the taxpayer and enters into an agreement with the taxpayer as set forth under this chapter.

→ §§ 6-3.1-13-1.5 to 6-3.1-13-26 Economic Development for a Growing Economy Tax Credit

An insurer may take a credit against its premium tax liability if the taxpayer is awarded a credit by the board (department of revenue) under this chapter for that taxable year. An insurer that proposes a project to create new jobs may apply to the board for a credit. The duration of the credit may not exceed 10 years (20 years effective 7/1/2022). If the credit exceeds the tax liability for the year, the taxpayer may receive a refund.

§ 6-3.1-19-3 Community Revitalization Enhancement District Tax Credit

A taxpayer is entitled to a credit against the taxpayer's state and local tax liability for a taxable year if the taxpayer makes a qualified investment in that year. The amount of the credit to which a taxpayer is entitled is the qualified investment made by the taxpayer during the taxable year multiplied by 25%.

§ 6-3.1-24-6 Venture Capital Investment Tax Credit

A taxpayer that: provides qualified investment capital to a qualified Indiana business; and fulfills the requirements of the Indiana economic development corporation under § 6-3.1-24-12.5; is entitled to a credit against the person's state tax liability in a taxable year equal to the amount specified in § 6-3.1-24-10.

§ 6-3.1-26-13 Hoosier Business Investment Tax Credit

A taxpayer that is awarded a tax credit under this chapter by the corporation; and complies with the conditions set forth in this chapter and the agreement entered into by the corporation and the taxpayer under this chapter; is entitled to a credit against the taxpayer's state tax liability in a taxable year.

§ 6-3.1-29-14 Coal Gasification Technology Investment Tax Credit

A taxpayer that is awarded a tax credit under this chapter by the corporation; and complies with the conditions set forth in this chapter and the agreement entered into by the corporation and the taxpayer under this chapter; is entitled to a credit against the taxpayer's state tax liability for a taxable year in which the taxpayer places into service an integrated coal gasification powerplant or a fluidized bed combustion technology and for the taxable years provided in § 6-3.1-29-16.

Credits (cont.)

§§ 6-3.1-30.5-7; 6-3.1-30.5-8; DOR Info. Bulletin #108 (July 1, 2014) School Scholarship Tax Credit

A taxpayer that makes a contribution to a scholarship granting organization for use by the scholarship granting organization in a school scholarship program is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer makes the contribution. The amount of a taxpayer's credit is equal to 50% of the amount of the contribution. For taxpayers entitled to a tax credit for a taxable year beginning on or after Jan. 1, 2013, the credit can be carried forward for nine years after the year in which it is first available.

§ 6-3.1-30-9 Headquarters Relocation Tax Credit

The amount of the credit to which a taxpayer is entitled under § 6-3.1-30-8 equals the product of 50% multiplied by the amount of the taxpayer's relocation costs in the taxable year. The credit to which a taxpayer is entitled under § 6-3.1-30-8 may not reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs.

§ 6-3.1-34.6-8 Credit for placing qualified vehicle into service

A person that places a qualified vehicle into service in a particular taxable year may claim a credit against the person's state tax liability for that taxable year. Subject to §§ 6-3.1-34.6-9 and 6-3.1-34.6-10, the amount of the credit that may be claimed for placing a qualified vehicle into service is the amount determined in STEP THREE of the following formula:

Step One: Determine the difference between:

- (A) The price of the qualified vehicle; and
- (B) The price of a similarly equipped vehicle of the same make and model that is powered by a gasoline or diesel engine.

Step Two: Multiply the STEP ONE result by 50%.

Step Three: Determine the lesser of:

- (A) The STEP TWO result; or
- (B) \$15,000.

§ 27-8-8-16 Life and Health Guaranty Association

Assessments may be offset against premium taxes, income taxes, etc., up to 20% per year beginning year after assessments paid or may adjust rates to recoup assessment.

§ 27-6-8-15 Property and Casualty Guaranty Association

Assessments may be offset against premium, income taxes, etc., up to 20% per year beginning year after assessments paid until the aggregate of all assessments paid has been offset.

Credits (cont.)

§ 27-8-10-2.1 Comprehensive Health Insurance

Members who during any calendar year, have paid one or more assessments levied under this chapter may include in the rates for premiums charged for insurance policies to which this chapter applies amounts sufficient to recoup a sum equal to the amounts paid to the association by the member less any amounts returned to the member insurer by the association, and the rates shall not be deemed excessive by virtue of including an amount reasonably calculated to recoup assessments paid by the member.

§ 27-8-10-2.4; Bulletin 131

No additional tax credits will be earned for assessments paid by members of ICHIA on or after Jan. 1, 2005. Any member of ICHIA that before Jan. 1, 2005 paid an assessment and had not taken a credit against the premium taxes is not entitled to claim any unused tax credit for the taxable years beginning after Dec. 31, 2004 and ending before Jan. 1, 2007. Thereafter, a member that has unused credits on Jan. 1, 2007, may take an annual credit of 10% of the amount of the assessments paid before Jan. 1, 2005, against which the credit has not been taken. The amount of the annual credit may not exceed the amount of premium tax that is due for the taxable year. If the amount of the tax credit available exceeds the member's liability for the taxable year, the member may carry forward the amount of the unused annual credit to subsequent taxable years. The unused annual tax credits carried forward are not subject to the 10% limit. The tax credits available may be carried forward indefinitely, but the total amount of credits taken may not exceed the total amount of tax credits that were available on Jan. 1, 2005.

Payment Due Dates:

§ 27-1-18-2

Return filed and payment received on or before Mar. 1. Quarterly estimates due on or before April 15, June 15, Sept. 15 and Dec. 15. Each estimate shall be equal to 25% of prior year's tax or 20% of actual tax for current year.

§ 22-8-1.1-48 INSafe

The annual tax payment is due and payable on or before May 1 of each year in which the tax is imposed.

Penalties:

§ 27-1-18-2

Interest at rate of 1% per month or part of a month for any quarterly amount due and unpaid. Any insurer failing to file return and pay the tax due for more than 30 days shall be subject to a penalty of \$100 for each additional day the return is delayed, not to exceed a maximum penalty of \$10,000. Department may suspend certificate of authority until paid.

Extensions:

None provided in the statutes.

Retaliatory Law:

§ 27-1-20-12

When the taxes, fines, penalties, licenses, fees, deposits, etc., imposed on Indiana insurers or their agents by other states exceed the amounts imposed by Indiana on similar insurers or agents, retaliation will occur.

Retaliation is computed on the premium tax return, for taxes, and on the fee statement for fees.

FEES

→ Insurers' Fees:

§§ 27-1-3-15; 27-5.1-2-15; 27-7-3-15; 27-8-3-25; 27-11-8; 27-13-27-1; 27-13-27-2; 27-13-34-23; 27-1-25-11.1; 760 Ind. Admin. Code (IAC) 1-52-3; 760 IAC 1-51-3

Admission fees (due at the time of application):

Foreign Insurers:

| | |
|--|------|
| Issuance of certificate of authority | \$50 |
| Annual statement..... | 100 |
| Articles of incorporation | 350 |
| Bylaws..... | 25 |
| Appointment of agent for service of process..... | 10 |

Domestic Insurers:

| | |
|---------------------------------|-----|
| Articles of incorporation | 350 |
|---------------------------------|-----|

HMO and LSHMO

| | |
|--------------------|-----|
| Admission fee..... | 350 |
|--------------------|-----|

Annual fees domestic insurers (due Mar. 1):

Farm Mutual:

| | |
|---|-----|
| Filing annual statement | 100 |
| Renewal of certificate of authority | 50 |
| Internal audit fee..... | 250 |

Fraternal:

| | |
|---|-----|
| Filing annual statement | 25 |
| Renewal of certificate of authority | 25 |
| Internal audit fee..... | 250 |

HMO & LSHMO:

| | |
|---|-------|
| Filing annual statement | 50 |
| Renewal of certificate of authority | 50 |
| Internal audit fee..... | 1,000 |

Life, P&C, Reciprocals and RRG's:

| | |
|---|-------|
| Filing of annual statement | 100 |
| Renewal of certificate of authority | 50 |
| Internal audit fee..... | 1,000 |

Insurers' Fees (cont.)

§§ 27-1-3-15; 27-5.1-2-15; 27-7-3-15; 27-8-3-25; 27-11-8; 27-13-27-1; 27-13-27-2; 27-13-34-23;
27-1-25-11.1; 760 IAC 1-52-3; 760 IAC 1-51-3 (cont.)

Annual fees foreign insurers (due Mar. 1) (cont.)

| | |
|---|-------|
| Title: | |
| Filing of annual statement | \$20 |
| Renewal of certificate of authority | 5 |
| Internal audit fee..... | 1,000 |
| Fraternal: | |
| Filing annual statement | 25 |
| Renewal of certificate of authority | 25 |
| Internal audit fee..... | 250 |
| HMO & LSHMO: | |
| Filing annual statement | 50 |
| Renewal of certificate of authority | 50 |
| Internal audit fee..... | 1,000 |
| Life, P&C and Reciprocal: | |
| Filing of annual statement | 100 |
| Renewal of certificate of authority | 50 |
| Examining statement of condition..... | 5 |
| Internal audit fee..... | 1,000 |
| Risk Retention Groups: | |
| Filing of annual statement | 100 |
| Title: | |
| Filing of annual statement | 20 |
| Renewal of certificate of authority | 5 |
| Internal audit fee..... | 1,000 |

Other fees (due with amended document and/or request):

| | |
|--|-----|
| Filing of articles of incorporation | 10 |
| Filing of bylaws | 25 |
| Certifying documents..... | 10 |
| Certificate of deposit..... | 10 |
| Certificate of compliance..... | 10 |
| Certificate of valuation | 10 |
| Filing foreign change of control | 25 |
| Filing service of process upon the commissioner | 10 |
| Withdrawal of certificate of authority..... | 25 |
| Any other document required to be filed by this article..... | 25 |
| Redomestication to Indiana: | |
| Application | 350 |
| Redomestication (foreign): | |
| Articles of incorporation (if amended)..... | 10 |
| Amended certificate of authority..... | 10 |
| Bylaws (if amended) | 25 |

Insurers' Fees (cont.)

§§ 27-1-3-15; 27-5.1-2-15; 27-7-3-15; 27-8-3-25; 27-11-8; 27-13-27-1; 27-13-27-2; 27-13-34-23; 27-1-25-11.1; 760 IAC 1-52-3; 760 IAC 1-51-3 (cont.)

Other fees (due with amended document and/or request) (cont.)

Name change filing:

| | |
|---|------|
| Amended articles of incorporation | \$10 |
| Amended bylaws | 25 |
| Amended certificate of authority | 10 |

HMO & LSHMO:

| | |
|--|-----|
| Amended certificate of authority | 350 |
|--|-----|

Additional/deletion of lines of business filing:

| | |
|--|----|
| Articles of incorporation (if amended) | 10 |
| Amended certificate of authority | 10 |

| | |
|--|----|
| Filing of each policy, rider and endorsement | 35 |
|--|----|

| | |
|-----------------------|----|
| Filing of rates | 35 |
|-----------------------|----|

| | |
|-----------------------|----|
| Filing of rules | 35 |
|-----------------------|----|

| | |
|--|-------|
| Maximum fee for a product filing (rates, rules, forms) capped at | 1,000 |
|--|-------|

| | |
|--|----|
| Filing of a policy, rider, endorsement, rate(s) or rule(s) for commercial property & casualty products is considered to be part of a single filing for which the insurer is subject to a fee | 35 |
|--|----|

Managing general agent:

| | |
|-------------------------------|---------------------|
| Initial/Renewal license | 100 per appointment |
|-------------------------------|---------------------|

Reinsurance intermediary broker/manager:

| | |
|-------------------------------|-----|
| Initial/Renewal license | 100 |
|-------------------------------|-----|

Third party administrators:

| | |
|-------------------------------|----|
| Initial/Renewal license | 50 |
|-------------------------------|----|

Producer Licensing Fees:

§§ 27-1-15.6-32; 27-1-15.6-23; 27-1-15.6-5; 27-10-3-4; 27-10-3-5; 27-10-3-7; 27-1-27-4; 760 IAC 1-6.2

Licenses:

| | |
|---|----|
| For each license issued to a resident insurance producer or to a limited insurance representative every two years | 40 |
|---|----|

| | |
|--|----|
| For each license issued to a nonresident insurance producer or to a limited insurance representative every two years | 90 |
|--|----|

| | |
|-------------------------------------|----|
| Designated home state license | 90 |
|-------------------------------------|----|

| | |
|---|----|
| For a license issued to an insurance consultant every two years | 40 |
|---|----|

| | |
|---|----|
| For a license issued to a resident surplus lines insurance agent biennially | 80 |
|---|----|

| | |
|--|-----|
| For a license issued to a nonresident surplus lines agent biennially | 120 |
|--|-----|

| | |
|---|----|
| For a certificate of authority issued to a public adjuster annually | 50 |
|---|----|

| | |
|--|-----|
| For an initial license issued to a bail bond agent | 650 |
|--|-----|

| | |
|---|-----|
| For renewal license issued to a bail bond agent | 300 |
|---|-----|

| | |
|---|-----|
| For an initial/renewal license issued to a recovery agent | 300 |
|---|-----|

Producer Licensing Fees (cont.)

§§ 27-1-15.6-32; 27-1-15.6-23; 27-1-15.6-5; 27-10-3-4; 27-10-3-5; 27-10-3-7; 27-1-27-4; 760 IAC 1-6.2 (cont.)

Examination fees:

| | |
|---|------|
| Insurance producers, surplus lines insurance agents and insurance consultants' examinations | \$69 |
| Public adjusters, bail and recovery agent's examination | 50 |
| Bail and recovery agent's examination..... | 50 |

Fees are paid by producers. Retaliation occurs as each fee is paid.

→ Non-Resident Retaliatory Fees:

§ 27-1-20-12(a)

Effective May 12, 2017, various retaliatory fees for non-resident license applications and renewals were added or updated since a prior update on Aug. 10, 2016. The states where retaliatory fees were added include: District of Columbia, Georgia, Hawaii, Mississippi, Missouri, Nevada, New Hampshire, Oklahoma, Pennsylvania, Rhode Island, and Wyoming. States that have had one or more retaliatory fee updated include: California, Connecticut, Massachusetts, and New Jersey. All retaliatory fees for Illinois have remained the same. A list of retaliatory fees may be viewed at www.in.gov/idoi/2600.htm.

ALABAMA:

For new/initial license applications for Alabama residents, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual | 110 |
| Independent adjuster—organization | 230 |
| Portable electronics—individual or organization | 100 |
| Producer—organization | 130 |
| Self-storage insurance—organization | 130 |
| Surplus lines—individual..... | 230 |
| Surplus lines—organization..... | 530 |
| Travel insurance—organization..... | 130 |

For license renewals for Alabama residents, the following fees apply:

| | |
|---|-----|
| Independent adjuster—organization | 200 |
| Portable electronics—individual or organization | 100 |
| Producer—organization | 100 |
| Self-storage insurance—organization | 100 |
| Surplus lines—individual..... | 200 |
| Surplus lines—organization..... | 500 |
| Travel insurance—organization..... | 100 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

ALABAMA (cont.)

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-------|
| Independent adjuster—organization | \$400 |
| Portable electronics—individual or organization | 400 |
| Producer—organization | 400 |
| Self-storage insurance—organization | 400 |
| Travel insurance—organization..... | 400 |

ALASKA:

For new license applications and renewals for Alaska residents, the following fees apply:

| | |
|--|-----|
| Surplus lines—individual or organization | 300 |
|--|-----|

ARIZONA:

For new license applications and renewals for Arizona residents, the following fees apply:

| | |
|---|-------|
| Independent adjuster—individual or organization..... | 120 |
| Portable electronics—individual or organization | 120 |
| Producer—individual or organization..... | 120 |
| Title line of authority (LOA) add-on with another LOA | 120 |
| Public adjuster—individual or organization | 120 |
| Self-storage insurance—organization | 120 |
| Surplus lines—individual or organization | 500 |
| Renewal | 1,000 |
| Travel insurance—individual or organization | 120 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual or organization..... | 240 |
| Portable electronics—individual or organization | 480 |
| Producer—individual or organization..... | 480 |
| Title LOA add-on with another LOA | 480 |
| Self-storage insurance—organization..... | 480 |
| Travel insurance—individual or organization | 480 |

ARKANSAS:

For new license applications and renewals for Arkansas residents, the following fees apply:

| | |
|---|-------|
| Consultant—individual or organization..... | 120 |
| Independent adjuster—individual or organization..... | 120 |
| Portable electronics—organization..... | 1,000 |
| Surplus lines—individual or organization (new application only) | 1,035 |
| Renewal | 120 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-------|
| Consultant—individual or organization..... | 480 |
| Independent adjuster—individual or organization..... | 240 |
| Portable electronics—organization..... | 4,000 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

CALIFORNIA:

For new license applications and renewals for California residents, the following fees apply:

| | |
|---|-------|
| Independent adjuster—individual or organization..... | \$311 |
| Producer—individual or organization, per line of authority (LOA)..... | 188 |
| Credit LOA, new application..... | 449 |
| Credit LOA, renewal..... | 410 |
| Portable electronics—individual or organization..... | 321 |
| Public adjuster—individual or organization..... | 264 |
| Self-storage insurance—organization..... | 323 |
| Surplus lines—individual or organization, new application..... | 1,178 |
| Renewal..... | 1,296 |
| Travel insurance—organization..... | 4,540 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|--------|
| Independent adjuster—individual or organization..... | 622 |
| Producer—individual or organization, per LOA..... | 752 |
| Credit LOA..... | 1,640 |
| Portable electronics—individual or organization..... | 1,284 |
| Self-storage insurance—organization..... | 1,292 |
| Travel insurance—organization..... | 18,160 |

COLORADO:

For new/initial license applications for Colorado residents, the following fees apply:

| | |
|---|-----|
| Public adjuster—individual or organization..... | 71 |
| Surplus lines—individual or organization..... | 294 |

For license renewals for Colorado residents, the following fees apply:

| | |
|---|-----|
| Public adjuster—individual or organization..... | 50 |
| Surplus lines—individual or organization..... | 284 |

CONNECTICUT:

For new/initial license applications for Connecticut residents, the following fees apply:

| | |
|--|-----|
| Consultant—individual or organization..... | 300 |
| Independent adjuster—individual or organization..... | 130 |
| Portable electronics—individual..... | 140 |
| Portable electronics – organization..... | 600 |
| Producer—individual..... | 140 |
| Producer—organization..... | 130 |
| Public adjuster—individual or organization..... | 300 |
| Surplus lines—individual or organization..... | 675 |
| Travel insurance—individual or organization..... | 130 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

CONNECTICUT (cont.)

For license renewals for Connecticut residents, the following fees apply:

| | |
|---|-------|
| Consultant—individual | \$250 |
| Consultant—organization | 300 |
| Independent adjuster—individual | 130 |
| Independent adjuster—organization | 90 |
| Portable electronics—individual | 160 |
| Portable electronics – organization | 450 |
| Producer—individual or organization | 160 |
| Public adjuster—individual | 300 |
| Public adjuster—organization | 250 |
| Surplus lines—individual or organization | 625 |
| Travel insurance—individual or organization | 160 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-------|
| Consultant—individual | 1,000 |
| Consultant—organization | 1,200 |
| Independent adjuster—individual | 260 |
| Independent adjuster—organization | 180 |
| Portable electronics—individual | 640 |
| Portable electronics – organization | 1800 |
| Producer—individual or organization | 640 |
| Travel insurance—individual or organization | 640 |

DELAWARE:

For new license applications and renewals for Delaware residents, the following fees apply:

| | |
|--|-------|
| Independent adjuster—individual or organization | 100 |
| Portable electronics—organization, new application | 1,000 |
| Portable electronics—organization, renewal | 500 |
| Producer—individual or organization, per major-lines and limited-lines grouping levels | 100 |
| Public adjuster—individual or organization | 100 |
| Surplus lines—individual or organization, new application | 250 |
| Surplus lines—individual or organization, renewal | 200 |
| Travel insurance—individual or organization | 100 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-------|
| Independent adjuster—individual or organization | 200 |
| Portable electronics—organization | 2,000 |
| Producer—individual or organization, per major-lines and limited-lines grouping levels | 400 |
| Travel insurance—individual or organization | 400 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

DISTRICT OF COLUMBIA:

For new license applications and renewals for DC residents, the following fees apply:

| | |
|---|-------|
| Portable electronics—individual or organization | \$100 |
| Producer—individual or organization | 100 |
| **Fee charged per life/health, property/casualty and limited-line grouping levels | |
| Public adjuster—individual or organization | 100 |
| Surplus lines—individual or organization | 200 |
| Travel insurance—individual or organization | 100 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Portable electronics—individual or organization | 400 |
| Producer—individual or organization..... | 400 |
| **Fee charged per life/health, property/casualty and limited-line grouping levels | |
| Travel insurance—individual or organization | 400 |

GEORGIA:

For new license applications and renewals for Georgia residents, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual, per line of authority (LOA) | 100 |
| Portable electronics—organization..... | 120 |
| Producer—individual, per LOA plus \$20 license fee for new applications..... | 100 |
| Renewal, at license level, plus \$100 if variable life & annuity LOA added..... | 105 |
| Producer—organization | 120 |
| Public adjuster—individual | 100 |
| Self-storage insurance—organization..... | 120 |
| Surplus lines—individual or organization | 620 |
| Renewal | 600 |
| Travel insurance—individual or organization | 120 |
| Individual renewal | 105 |

For licenses reinstate 31-365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Independent adjuster – individual, per LOA | 200 |
| Portable electronics – organization..... | 480 |
| Producer – individual..... | 420 |
| Plus \$400 id variable life & annuity LOA included with another LOA | |
| Producer – organization..... | 480 |
| Self-storage insurance – organization | 480 |
| Travel Insurance – individual | 420 |
| Travel Insurance – organization | 480 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

HAWAII:

For new license applications for Hawaii residents, the following fees apply:

| | |
|---|-------|
| Producer—individual or organization, per line of authority (LOA)..... | \$225 |
| Surplus lines—individual or organization | 240 |
| Travel insurance—individual or organization | 225 |

For license renewals for Hawaii residents, the following fees apply:

| | |
|--|-----|
| Producer—individual or organization, per LOA | 150 |
| Surplus lines—individual or organization | 120 |
| Travel insurance—individual or organization | 150 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-----|
| Producer—individual or organization, per LOA | 600 |
| Travel insurance—individual or organization | 600 |

ILLINOIS:

For new license applications and renewals for Illinois residents, the following fees apply:

| | |
|---|-----|
| Portable electronics—individual..... | 380 |
| Portable electronics—organization..... | 150 |
| Producer—individual..... | 380 |
| Producer—organization..... | 150 |
| Public adjuster—individual or organization | 250 |
| Surplus lines—individual or organization | 400 |
| Travel insurance—individual or organization | 500 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-------|
| Portable electronics—individual..... | 1,520 |
| Portable electronics—organization..... | 600 |
| Producer—individual..... | 1,520 |
| Producer—organization..... | 600 |
| Travel insurance—individual or organization | 2,000 |

KENTUCKY:

For new/initial license applications for Kentucky residents, the following fees apply:

| | |
|---|-----|
| Portable electronics—organization..... | 100 |
| Producer—individual, per line of authority (LOA) plus \$50 license fee..... | 50 |
| Producer—organization, per LOA plus \$120 license fee | 120 |
| Self-storage insurance—organization..... | 120 |
| Travel insurance—individual..... | 100 |
| Travel insurance—organization..... | 240 |

Note: Retaliatory fees do not apply to Kentucky renewals and reinstatements.

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

LOUISIANA:

For new/initial license applications for Louisiana residents, the following fees apply:

| | |
|--|-------|
| Portable electronics—organization | \$200 |
| Public adjuster—individual or organization | 55 |
| Surplus lines—individual or organization | 250 |

For license renewals for Louisiana residents, the following fees apply:

| | |
|--|-----|
| Independent adjuster—organization | 100 |
| Portable electronics—organization | 100 |
| Public adjuster—individual | 50 |
| Public adjuster—organization | 350 |
| Surplus lines—individual or organization | 350 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Independent adjuster—organization | 200 |
| Portable electronics—organization | 400 |

MAINE:

For new/initial license applications for Maine residents, the following fees apply:

| | |
|---|-------|
| Portable electronics—organization | 1,000 |
| Surplus lines—individual..... | 165 |

For license renewals for Maine residents, the following fees apply:

| | |
|---|-----|
| Portable electronics—organization | 500 |
| Surplus lines—individual..... | 120 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-------|
| Portable electronics—organization | 2,000 |
|---|-------|

MARYLAND:

For new license applications and renewals for Maryland residents, the following fees apply:

| | |
|--|-----|
| Surplus lines—individual or organization | 200 |
|--|-----|

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

MASSACHUSETTS:

For new license applications and renewals for Massachusetts residents, the following fees apply:

| | |
|---|-------|
| Portable electronics—individual..... | \$150 |
| Portable electronics—organization..... | 1,000 |
| Renewal | 500 |
| Producer—individual or organization..... | 225 |
| Property/casualty/personal lines surcharge fee..... | 75 |
| Public adjuster—individual or organization | 200 |
| Surplus lines—individual or organization | 150 |
| Travel insurance—individual..... | 225 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-------|
| Portable electronics—individual..... | 600 |
| Portable electronics—organization..... | 2,000 |
| Producer—individual or organization..... | 900 |
| Property/casualty/personal lines surcharge fee..... | 300 |
| Travel insurance—individual..... | 900 |

MINNESOTA:

For new license applications and renewals for Minnesota residents, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual, per line of authority (LOA) plus \$75 license fee..... | 50 |
| Portable electronics—organization..... | 125 |
| Producer—individual, per LOA plus \$75 license fee..... | 50 |
| Producer—organization | 200 |
| Surplus lines—individual..... | 500 |
| Travel insurance—individual..... | 125 |
| Travel insurance—organization..... | 225 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-----|
| Independent adjuster—individual, per line of authority (LOA) plus \$150 license fee..... | 100 |
| Portable electronics—organization..... | 500 |
| Producer—individual, per LOA plus \$300 license fee..... | 200 |
| Producer—organization | 900 |
| Travel insurance—individual..... | 500 |
| Travel insurance—organization..... | 900 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

MISSISSIPPI:

For new license applications and renewals for Mississippi residents, the following fees apply:

| | |
|--|-------|
| Independent adjuster—individual | \$100 |
| Independent adjuster—organization | 400 |
| Portable electronics—organization | 5,000 |
| Producer—individual, per major-lines, limited-lines and credit grouping levels | 100 |
| Producer—organization, per major-lines, limited-lines and credit grouping levels | 200 |
| Public adjuster—individual | 100 |
| Public adjuster—organization..... | 400 |
| Self-storage insurance—organization..... | 200 |
| Surplus lines—organization..... | 200 |
| Travel insurance—individual..... | 100 |
| Travel insurance—organization..... | 200 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|--------|
| Independent adjuster—individual | 200 |
| Independent adjuster—organization | 800 |
| Portable electronics—organization..... | 20,000 |
| Producer—individual, per major-lines, limited-lines and credit grouping levels | 400 |
| Producer—organization, per major-lines, limited-lines and credit grouping levels | 800 |
| Self-storage insurance—organization..... | 800 |
| Travel insurance—individual..... | 400 |
| Travel insurance—organization..... | 800 |

MISSOURI:

For new license applications and renewals for Missouri residents, the following fees apply:

| | |
|---|-----|
| Portable electronics—organization..... | 100 |
| Producer—individual or organization, per line of authority (LOA)..... | 100 |
| Funeral director LOA..... | 90 |
| Public adjuster—individual or organization | 100 |
| Renewal | 50 |
| Travel insurance—individual or organization | 100 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-----|
| Portable electronics—organization..... | 400 |
| Producer—individual or organization, per LOA | 400 |
| Funeral director LOA..... | 360 |
| Travel insurance—individual or organization | 400 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

MONTANA:

For new license applications for Montana residents, the following fees apply:

| | |
|---|------|
| Consultant—individual | \$90 |
| Independent adjuster—individual | 90 |
| Portable electronics—organization | 100 |
| Producer—individual or organization..... | 100 |
| Public adjuster—individual | 50 |
| Travel insurance—individual or organization | 100 |

For license renewals for Montana residents, the following fees apply:

| | |
|---|-----|
| Consultant—individual | 100 |
| Independent adjuster—individual | 100 |
| Portable electronics—organization | 100 |
| Producer—individual or organization..... | 100 |
| Public adjuster—individual | 100 |
| Travel insurance—individual or organization | 100 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Consultant—individual | 400 |
| Independent adjuster—individual | 200 |
| Portable electronics—organization | 400 |
| Producer—individual or organization..... | 400 |
| Travel insurance—individual or organization | 400 |

NEBRASKA:

For new license applications and renewals for Nebraska residents, the following fees apply:

| | |
|--|-----|
| Surplus lines—individual or organization | 250 |
|--|-----|

NEVADA:

For new license applications and renewals for Nevada residents, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual or organization..... | 185 |
| Portable electronics—individual or organization | 185 |
| Producer—individual or organization..... | 185 |
| Public adjuster—individual or organization | 185 |
| Self-storage insurance—organization | 185 |
| Surplus lines—individual or organization | 185 |
| Travel insurance—individual or organization | 185 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual or organization..... | 370 |
| Portable electronics—individual or organization | 740 |
| Producer—individual or organization..... | 740 |
| Self-storage insurance—organization | 740 |
| Travel insurance—individual or organization | 740 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

NEW HAMPSHIRE:

For new/initial license applications for New Hampshire residents, the following fees apply:

| | |
|---|---------|
| Portable electronics—organization | \$1,000 |
| Producer—individual or organization..... | 210 |
| Public adjuster—individual or organization | 75 |
| Surplus lines—individual or organization | 210 |
| Travel insurance—individual or organization | 210 |

For license renewals for New Hampshire residents, the following fees apply:

| | |
|---|-------|
| Portable electronics—organization..... | 1,000 |
| Producer—individual or organization..... | 150 |
| Public adjuster—individual or organization | 75 |
| Surplus lines—individual or organization | 150 |
| Travel insurance—individual or organization | 150 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-------|
| Portable electronics—organization..... | 4,000 |
| Producer—individual or organization..... | 600 |
| Travel insurance—individual or organization | 600 |

NEW JERSEY:

For new/initial license applications for New Jersey residents, the following fees apply:

| | |
|---|-----|
| Portable electronics—organization..... | 120 |
| Producer—individual or organization, major-lines grouping level | 170 |
| Producer—individual or organization, limited-lines grouping level | 95 |
| Public adjuster—individual or organization | 70 |
| Surplus lines—individual or organization | 170 |
| Travel insurance—individual or organization | 95 |

For license renewals for New Jersey residents, the following fees apply:

| | |
|---|-----|
| Portable electronics—organization..... | 100 |
| Producer—individual or organization, major-lines grouping level | 150 |
| Producer—individual or organization, limited-lines grouping level | 90 |
| Public adjuster—individual or organization | 70 |
| Surplus lines—individual or organization | 150 |
| Travel insurance—individual or organization | 90 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Portable electronics—organization..... | 400 |
| Producer—individual or organization, major-lines grouping level | 600 |
| Producer—individual or organization, limited-lines grouping level | 360 |
| Travel insurance—individual or organization | 360 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

NEW MEXICO:

For new/initial license applications for New Mexico residents, the following fees apply:

Note: Retaliatory fees do not apply to new license applications, but to renewals/reinstatements only.

| | |
|--|------|
| Consultant—individual | \$90 |
| Public adjuster—individual | 50 |
| Surplus lines—individual or organization | 120 |

For license renewals for New Mexico residents, the following fees apply:

| | |
|--|-----|
| Consultant—individual | 100 |
| Public adjuster—individual | 60 |
| Surplus lines—individual or organization | 200 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|-----------------------------|-----|
| Consultant—individual | 400 |
|-----------------------------|-----|

NEW YORK:

For new license applications and renewals for New York residents, the following fees apply:

| | |
|--|-----|
| Independent adjuster—individual | 100 |
| Public adjuster—individual | 100 |
| Surplus lines—individual or organization | 400 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---------------------------------------|-----|
| Independent adjuster—individual | 200 |
|---------------------------------------|-----|

NORTH CAROLINA:

For new/initial license applications for North Carolina residents, the following fees apply:

| | |
|--|-----|
| Independent adjuster—individual | 169 |
| Independent adjuster—organization | 169 |
| Portable electronics—organization | 144 |
| Producer—individual, per line of authority (LOA) plus \$44 license fee | 50 |
| Credit or title LOA | 94 |
| Producer—organization | 144 |
| Public adjuster—individual | 169 |
| Public adjuster—organization | 144 |
| Self-storage insurance—organization | 144 |
| Surplus lines—organization | 144 |
| Travel insurance—individual | 94 |
| Travel insurance—organization | 144 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

NORTH CAROLINA (cont.)

For license renewals for North Carolina residents, the following fees apply:

| | |
|---|-------|
| Independent adjuster—individual | \$109 |
| Independent adjuster—organization | 134 |
| Portable electronics—organization | 134 |
| Producer—individual | 90 |
| Producer—organization | 134 |
| Public adjuster—individual | 109 |
| Public adjuster—organization | 134 |
| Self-storage insurance—organization | 134 |
| Surplus lines—organization | 134 |
| Travel insurance—individual | 90 |
| Travel insurance—organization | 134 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual | 218 |
| Independent adjuster—organization | 268 |
| Portable electronics—organization | 536 |
| Producer—individual | 360 |
| Producer—organization | 536 |
| Self-storage insurance—organization | 536 |
| Travel insurance—individual | 360 |
| Travel insurance—organization | 536 |

NORTH DAKOTA:

For new/initial license applications for North Dakota residents, the following fees apply:

| | |
|---|-----|
| Portable electronics—individual or organization | 100 |
| Producer—individual or organization | 100 |
| Public adjuster—individual | 100 |
| Public adjuster—organization | 150 |
| Self-storage insurance—organization | 100 |
| Travel insurance—individual or organization | 100 |

For license renewals for North Dakota residents, the following fees apply:

Note: Retaliatory fee applies to public adjuster organization only.

| | |
|---|-----|
| Portable electronics—individual or organization | 90 |
| Producer—individual or organization | 90 |
| Public adjuster—individual | 50 |
| Public adjuster—organization | 150 |
| Self-storage insurance—organization | 90 |
| Travel insurance—individual or organization | 90 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

OHIO:

For new license applications and renewals for Ohio residents, the following fees apply:

| | |
|---|-------|
| Portable electronics—organization..... | \$100 |
| Public adjuster—individual or organization..... | 100 |
| Renewal | 50 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-----|
| Portable electronics—organization..... | 400 |
|--|-----|

OKLAHOMA:

For new license applications and renewals for Oklahoma residents, the following fees apply:

| | |
|---|-----|
| Consultant—individual or organization..... | 100 |
| Portable electronics—individual or organization | 100 |
| Producer—individual or organization..... | 100 |
| **Fee charged per major-lines, limited-lines, variable life & annuity and title grouping levels | |
| Travel insurance—individual or organization | 100 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Consultant—individual or organization..... | 400 |
| Portable electronics—individual or organization | 400 |
| Producer—individual or organization..... | 400 |
| **Fee charged per major-lines, limited-lines, variable life & annuity and title grouping levels | |
| Travel insurance—individual or organization | 400 |

OREGON:

For new license applications and renewals for Oregon residents, the following fees apply:

| | |
|--|-----|
| Portable electronics—organization..... | 200 |
| Self-storage insurance—organization..... | 200 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-----|
| Portable electronics—organization..... | 800 |
| Self-storage insurance—organization..... | 800 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

PENNSYLVANIA:

For new license applications and renewals for Pennsylvania residents, the following fees apply:

| | |
|---|-------|
| Portable electronics—individual or organization | \$110 |
| Producer—individual or organization..... | 110 |
| Public adjuster—individual or organization | 200 |
| Self-storage insurance—organization | 110 |
| Surplus lines—individual or organization | 200 |
| Travel insurance—individual or organization | 400 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-------|
| Portable electronics—individual or organization | 440 |
| Producer—individual or organization..... | 440 |
| **Fee charged per major-lines, limited-lines and title grouping levels | |
| Self-storage insurance—organization | 440 |
| Travel insurance—individual or organization | 1,600 |

RHODE ISLAND:

For new license applications and renewals for Rhode Island residents, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual | 250 |
| Independent adjuster—organization | 150 |
| Portable electronics—organization..... | 200 |
| Producer—individual or organization..... | 130 |
| Public adjuster—individual | 250 |
| Public adjuster—organization..... | 150 |
| Travel insurance—individual or organization | 130 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual | 500 |
| Independent adjuster—organization | 300 |
| Portable electronics—organization..... | 800 |
| Producer—individual or organization..... | 520 |
| **Add additional \$520 if Title LOA is included with one or more other LOAs | |
| Travel insurance—individual or organization | 520 |

SOUTH CAROLINA:

For new applications and renewals for South Carolina residents, the following fees apply:

| | |
|--|-------|
| Portable electronics—organization..... | 1,000 |
| Renewal | 500 |
| Surplus lines—individual..... | 200 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-------|
| Portable electronics—organization..... | 2,000 |
|--|-------|

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

TENNESSEE:

For new license applications and renewals for Tennessee residents, the following fees apply:

| | |
|---|-------|
| Portable electronics—organization..... | \$100 |
| Public adjuster—individual or organization..... | 100 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-----|
| Portable electronics—organization..... | 400 |
|--|-----|

VERMONT:

For new/initial license applications for Vermont residents, the following fees apply:

| | |
|--|-----|
| Consultant—individual..... | 230 |
| Independent adjuster—individual or organization..... | 150 |
| Portable electronics—organization..... | 180 |
| Producer—individual, per major-lines, limited-lines and title grouping levels..... | 120 |
| Producer—organization, major-lines grouping level..... | 120 |
| Producer—organization, limited-lines grouping level..... | 180 |
| Public adjuster—individual or organization..... | 230 |
| Self-storage insurance—organization..... | 180 |
| Surplus lines—individual or organization..... | 430 |
| Travel insurance—individual..... | 120 |
| Travel insurance—organization..... | 180 |

For license renewals for Vermont residents, the following fees apply:

| | |
|--|-----|
| Consultant—individual..... | 200 |
| Independent adjuster—individual or organization..... | 120 |
| Portable electronics—organization..... | 150 |
| Producer—individual, per major-lines, limited-lines and title grouping levels..... | 90 |
| Producer—organization, major-lines grouping level..... | 90 |
| Producer—organization, limited-lines grouping level..... | 150 |
| Public adjuster—individual or organization..... | 200 |
| Self-storage insurance—organization..... | 150 |
| Surplus lines—individual or organization..... | 400 |
| Travel insurance—individual..... | 90 |
| Travel insurance—organization..... | 150 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|--|-----|
| Consultant—individual..... | 800 |
| Independent adjuster—individual or organization..... | 240 |
| Portable electronics—organization..... | 600 |
| Producer—individual, per major-lines, limited-lines and title grouping levels..... | 360 |
| Producer—organization, major-lines grouping level..... | 360 |
| Producer—organization, limited-lines grouping level..... | 600 |
| Self-storage insurance—organization..... | 600 |
| Travel insurance—individual..... | 360 |
| Travel insurance—organization..... | 600 |

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

VIRGINIA:

For new license applications and renewals for Virginia residents, the following fees apply:

Public adjuster—individual or organization \$50

WASHINGTON:

For new license applications and renewals for Washington residents, the following fees apply:

Portable electronics—organization 500

Renewal 250

Surplus lines—individual..... 205

Renewal 200

Surplus lines—organization..... 200

For licenses reinstated 31–365 days after license expiration, the following fees apply:

Portable electronics—organization 1,000

WEST VIRGINIA:

For new license applications and renewals for West Virginia residents, the following fees apply:

Portable electronics—organization 200

Producer—organization 200

Self-storage insurance—organization 200

Surplus lines—individual or organization 200

Travel insurance—organization..... 200

For licenses reinstated 31–365 days after license expiration, the following fees apply:

Portable electronics—organization 800

Producer—organization 800

Self-storage insurance—organization 800

Travel insurance—organization..... 800

WISCONSIN:

For new/initial license applications for Wisconsin residents, the following fees apply:

Producer—individual, per line of authority (LOA) if more than one LOA..... 75

Producer—organization 100

Travel insurance—organization..... 100

Note: Retaliatory fees do not apply to Wisconsin renewals and reinstatements.

Non-Resident Retaliatory Fees (cont.)

§ 27-1-20-12(a) (cont.)

WYOMING:

For new license applications and renewals for Wyoming residents, the following fees apply:

| | |
|---|-------|
| Independent adjuster—individual | \$100 |
| Renewal | 150 |
| Portable electronics—organization..... | 100 |
| Producer—individual or organization..... | 150 |
| **Fee charged per life/health, property/casualty, credit, and limited-lines grouping levels | |
| Producer—organization, limited-line crop, funeral director, or title | 100 |
| Surplus lines—individual..... | 100 |
| Travel insurance—organization..... | 100 |

For licenses reinstated 31–365 days after license expiration, the following fees apply:

| | |
|---|-----|
| Independent adjuster—individual | 300 |
| Portable electronics—organization..... | 400 |
| Producer—individual or organization..... | 600 |
| **Fee charged per life/health, property/casualty, credit, and limited-lines grouping levels | |
| Producer—organization, limited-line crop, funeral director, or title | 400 |
| Travel insurance—organization..... | 400 |

DEPOSITS

§ 27-1-6-14 Domestic Stock Insurers

Deposit 25% of paid in capital requirement if organized before July 1, 1977.

Deposit 10% of paid in capital requirement if organized after June 30, 1977.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

§ 27-1-6-15 Domestic Mutual Insurers (Does not apply to farm mutuals)

Deposit \$25,000 if organized before June 30, 1955.

Deposit \$50,000 if organized after June 29, 1955, but before Mar. 7, 1967.

Deposit \$100,000 if organized after Mar. 6, 1967.

§ 27-1-12-11 Life Insurers

Deposit the lesser of the reserve value or \$1 million when added to deposits required under other sections.

§ 27-7-3-7 Title Insurers

\$50,000 deposit

Deposits (cont.)

§ 27-10-3-15 Foreign and Domestic Insurers Licensed for Bail Bonds

\$75,000 deposit in cash

§ 27-13-13-1 Foreign and Domestic HMOs

\$500,000 deposit in cash or U.S. obligations

§ 27-13-34-17 Foreign and Domestic LSHMOs

\$50,000 deposit in cash or U.S. obligations

Foreign insurers may present a certificate indicating that the company maintains a like deposit, excluding bail, in the state of domicile. Any questions should be directed to the company deposits representative for the department of insurance.

→ **CONTACT PERSON**

Premium Tax and Insurer Annual Fees

Debra Graves: (317) 232-1993; dgraves@idoi.in.gov

Company Admissions and Other Entity Licensing

Connie Wright: (317) 232-1994; cwright1@idoi.in.gov

Corporate Amendments

Annette Gunter: (317) 232-2428; agunter@idoi.in.gov

Agents Licensing

Steve Embree: (317) 234-5883; sembree@idoi.in.gov

→ Company Deposits

Vacant: (317) 232-2383

→ Company Compliance

Alexandria Peck: (317) 233-9607; apecck@idoi.in.gov

Second Injury Fund and Residual Asbestos Fund and Worker's Compensation

Darren Dye: (317) 233-3384; ddye@wcb.in.gov

Indiana Department of Labor, Deputy Commissioner of Labor, INSafe

Kenneth R. Boucher II: kboucher@dol.in.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

IOWA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Iowa Code §§ 515.24; 432.1; Iowa Admin. Code (IAC) 191-5.40 to 191-5.41

Gross premiums, assessments and fees for direct insurance without including or deducting any amount paid for reinsurance (except for companies reinsuring risks from county mutuals described in § 518.18) and deducting dividends, returned premiums and consideration received for ocean marine insurance. Life insurance premiums received from policies issued in connection with a qualified retirement plan are not included in gross premiums. Considerations received for annuities are excluded.

§ 432.1; IAC 191-5.41

Life insurers may also deduct returned premiums.

[Note: Please see the Surplus Lines chart for further information.]

Tax Rate:

§§ 432.1; 432.2; 514B.31

1% for life insurers, health maintenance organizations and health service corporations

HMOs are subject to premium tax after five years of existence.

1% for other than life

§ 518.18

1% for county mutual

Provided, however, that when risks for windstorm or hail are reinsured, the reinsurer shall pay applicable premium tax instead.

§§ 432.5; 515E.4

1% for risk retention groups

§ 520.19

1% for reciprocal or interinsurance contracts

Other Taxes and Assessments:

§§ 432A.1; 432A.6 Marine Insurance Taxation

Pay tax of 6.5% of average taxable underwriting profit for past three years.

§ 85.65 Second Injury Fund

In case of compensable injury causing death, insurer which provided compensation shall pay \$12,000 (if dependents) or \$45,000 (if no dependents) into fund.

§ 514E.2 Comprehensive Health Insurance Association

HMOs and insurers providing health insurance shall be assessed for the losses of the pool.

§ 519A.5 Medical Malpractice Joint Underwriting Association

Insurers writing liability insurance may be assessed for any deficit of the JUA.

§ 515B.5 Property and Casualty Guaranty Association

Assess member insurers based on net direct written premiums no more than 2% of premiums for prior year. May assess \$50 per year for administrative expenses, which shall be credited against insolvency assessment.

→ §§ 508C.9; 508C.19 Life and Health Guaranty Association

Additional administrative expenses plus assessment for insolvency shall be on basis of premiums received on average business for last three years for types of insurance in the account with the insolvency. Maximum of 2% per year.

Exclusions and Deductions:

§ 432.1 Fraternal

Fraternal benefit societies are exempt from premium tax.

§ 514B.31

Excludes payments to HMOs under contracts with Secretary of Health and Human Services pursuant to § 1833 or § 1876 of the Federal Social Security Act, § 4015 of OBRA 1987 or Iowa Code Chapter 249A for enrolled members. Excludes HMOs from the provision of § 432.1 for the first five years of existence.

Exclusions and Deductions (cont.)

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

Based on court decision, Iowa no longer collects premium tax on federally reinsured crop insurance premiums.

Credits:

§ 15.333A Investment Credit

Provides certain premium tax credits as an economic development incentive for qualifying insurers. The program is administered by the Iowa Department of Economic Development.

§§ 404A.1; 432.12A; IAC 223-48.1 to 223-48.16 Property Rehabilitation Tax Credit

Provides certain historic property rehabilitation tax credits upon obtaining a tax credit certificate from the department of cultural affairs.

§ 514E.2 Comprehensive Health Insurance Association

May offset assessments paid up to the amount of 20% of the premium taxes due per year for each of the five years following the year in which the assessment was paid.

§ 508C.19 Life and Health Guaranty Association

May offset assessment made on account of insolvency at a rate of 20% of the amount of the assessment for each of five calendar years following the year in which the assessment was paid. Attach a copy of the offset schedule to the premium tax return.

§ 15E.52 Innovation Fund Investment Tax Credit

May take a credit for investments in an innovation fund.

§§ 432.12N; 15E.364 Hoover Presidential Library Tax Credit

For tax years beginning on or after January 1, 2021, but before January 1, 2024, a tax credit shall be allowed against the taxes imposed in chapter 432, equal to 25% of a person's donation to the Hoover presidential foundation for the Hoover presidential library and museum renovation project fund.

Payment Due Dates:

§ 432A.8 Marine Insurance

Marine insurance return due on or before June 1.

§ 432.1

Application for renewal of certificate of authority and premium tax return form, and payments due on or before Mar. 1.

Each insurance company and association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was \$1000 or more shall remit on or before June 1, on a prepayment basis an amount equal to one-half of the premium tax liability for the preceding calendar year.

In addition to the June 1 prepayment amount noted above each insurance company or association that is subject to tax shall remit on or before Aug. 15, on a prepayment basis, an additional amount equal to one-half of the premium tax liability for the preceding calendar year.

Penalties:

§ 432.1

Commissioner may suspend or revoke license of company or association that fails to pay its premium tax on or before due date.

Extensions:

No specific provision in statutes.

Retaliatory Law:

§ 505.14

If the taxes, fees, fines, penalties, licenses, deposits, or other obligations imposed on Iowa insurers or agents are, in the aggregate, in excess of the taxes, fees, fines, or other obligations that Iowa imposes on insurers of other states, retaliation will occur.

FEES

Most fees are aggregated on the premium tax return. Retaliation is on an item-by-item basis for the agents' appointment fees. A retaliatory fee is charged where Iowa does not charge a fee.

→ Insurers' Fees:

§§ 511.24; 511.27; 512B.33; 514.2A; 514B.3; 515.147; IAC 191-1.7(505)

Certificate of authority:

| | |
|--|------|
| Application for certificate of authority (including filing of financial statements)..... | \$50 |
| Certificate of authority (new or renewal)..... | 50 |
| Amended articles of incorporation..... | 50 |
| Amended certificate of authority | 25 |

Annual statement:

| | |
|------------------------------|----------------|
| Annual statement filing..... | Included above |
|------------------------------|----------------|

Miscellaneous services:

| | |
|--|----|
| Affixing official seal to any document | 10 |
| Service of process | 50 |

§§ 512B.3; 512B.24; 512B.25

Fraternal:

| | |
|--|----|
| Certificate of authority (new or renewal)..... | 50 |
| Annual statement filing..... | 50 |

IAC 191-10.26; 191-10.15

Agents' appointment:

The fee for an appointment or the renewal of an appointment is \$5 for each producer appointed to a domestic company. The fee for appointment or renewal for each producer appointed to a foreign company is the fee charged by the state of domicile.

Producer Licensing Fees:

§ 522B; IAC 191-10.26; 191-10.51

Agent's license:

| | |
|--|-----|
| Triennial..... | 50 |
| Reinstatement of license in addition to the above..... | 100 |
| Limited license, triennial | 50 |

Paid by individual or company.

DEPOSITS

§ 515.71

Iowa has no deposit requirement for foreign life or property casualty insurers. A U.S. branch licensed under Ch. 515 must comply with § 515.71.

CONTACT PERSON

Premium and retaliatory taxes

(515) 654-6480; Premium.Tax@iid.iowa.gov

Agents' licensing, property, casualty, and surplus lines

(515) 654-6565; Producer.Licensing@iid.iowa.gov

Insurers' fees

(515) 654-6480; Company.Licensing@iid.iowa.gov

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KANSAS

→ **Arrow indicates an update for 2022**

→ **PREMIUM TAX**

The annual tax filing is due on or before March 1. The Kansas Insurance Department requires companies to complete online tax forms and submit payment through “Company Desktop,” <https://towerii.ksinsurance.org/kid/signon.do>

Premium Tax Base:

Kan. Stat. Ann. §§ 40-252; 40-1211

Gross premiums minus returned premiums, dividends returned to policyholders, reinsurance premiums received from any other company authorized to do business in Kansas and premiums received in connection with funding a qualified retirement plan. Annuity considerations are not subject to tax.

Tax Rate:

§ 40-252

2% insurers, nonprofit hospital, medical, dental, optometric and pharmacy service corporations

§ 40-3213

5.77% of premiums for HMO

§§ 40-4103; 40-246c; 40-252

6% risk retention groups chartered outside of Kansas, and excess lines companies.

2% domestic risk retention groups

Other Taxes and Assessments:

§ 75-1508 State Fire Marshal’s Tax

For maintaining the department of the state’s fire marshal, a tax totaling no more than 0.80% of premiums may be assessed on all fire business transacted in the state. For maintaining the emergency medical services board, a tax totaling no more than 0.25% of premiums may be assessed on all fire business transacted in the state. For maintaining the fire service training program, a tax totaling no more than 0.20% of premiums may be assessed on all fire business transacted in the state. The current assessment is 1.25%. This is in addition to the premium tax.

Other Taxes and Assessments (cont.)

§ 40-1703 Firefighters Relief Fund

2% of total premiums on fire and lightning insurance. Due April 1. This is in addition to regular premium tax. Insurers are allowed a tax credit for this payment. (See the credit section for additional information.)

§ 40-112 Insurance Department Regulation Fund

The insurance commissioner shall assess groups of affiliated insurers based on the company assets from the previous calendar year. The minimum group assessment is \$500. The maximum amount that can be assessed is the lesser of 0.00015% of total assets or \$25,000. The law also permits the commissioner to establish a lower minimum to be assessed equally on each insurer. There was no regulation fee fund assessment for fiscal year 2022, and none is expected for 2023. If it is determined that an assessment will occur, billing statements will go out in Sept., with a Nov. 1 due date.

→ § 44-566a Workers' Compensation Second-Injury Fund (Kansas Insurance Department)

All insurers writing compensation insurance may be assessed to support administrative and claim payments required of the workers' compensation fund, in addition to the premium tax. The Kansas Insurance Department Workers' Compensation assessment rate is generally determined in May of each year and the payments are due July 1. For fiscal year 2022, the assessment was 0.75% of the company's prior year paid losses. For fiscal year 2023, the assessment is 0.75% of the company's prior year paid losses.

§§ 74-712; 74-713 Workers' Compensation Administration Fund (Administered by the Kansas Department of Labor)

Assess insurers writing compensation insurance for expenses of administration of the Kansas Department of Labor. The maximum assessment is 3% of the benefits paid during the preceding calendar year. For calendar year 2022, the assessment was 2.75% of the company's prior year paid losses. The assessment for calendar year 2023 will be determined in March 2023. Contact department for assessment.

§§ 65-6211; 65-6213 Health Care Access Improvement Fund

Each HMO with a Medicaid managed care contract will be assessed 5.9% of non-medicare premiums collected by the HMO. The department will send a notice of assessment to each HMO after Dec. 31 and before Mar. 31 of the succeeding year.

§ 40-2906 Property and Casualty Guaranty Association

May assess member insurers no more than 2% net direct written premium for preceding year subsequent to insolvency.

Other Taxes and Assessments (cont.)

§ 40-3009 Life and Health Guaranty Association

May assess member insurers for administrative expenses non-pro rata no more than \$300, or pro rata and credited against future assessments on account of insolvency. May not assess more than 2% average premiums for last three years for types of insurance in account with deficiency.

§ 40-2121 Kansas Health Insurance Association

Assess member insurers for losses in proportion to their share of total health insurance premiums received in state during the year. (This assessment ended in 2019.)

§ 40-252b Preemption

No political subdivision shall levy any license, privilege, premium or gross receipts tax or fee upon any company subject to premium tax. This does not prohibit property taxes or municipal occupation taxes levied on a basis other than income, premiums or gross receipts.

Exclusions and Deductions:

§ 40-252 Fraternal Benefit Societies

No premium taxes for fraternal benefit societies.

§ 40-2247 Small Employees Group Plan

No premium taxes shall be due on a health benefit plan established under this law.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

Based on court decision, Kansas will no longer collect premium tax on federally reinsured crop insurance premiums.

Credits:

§ 40-252 State Fire Marshal Tax Credit

Insurers writing fire insurance may claim a credit against their premium tax liability for taxes levied for the state's fire marshal. The credit is determined by a formula set forth in § 40-252. The calculation of the credit for foreign insurers allows an applicable percentage to be claimed each year. Foreign insurers get the entire credit starting in 2007.

§ 40-252 Firefighters Relief Fund Tax Credit

Insurers are authorized to claim a credit against their premium tax liability. The credit is determined by a formula set forth in the statute. The calculation of the credit for foreign insurers allows an applicable percentage to be claimed each year. Foreign insurers get the entire credit starting in 2007.

Credits (cont.)

§ 40-112 Insurance Department Regulation Fund Tax Credit

If any other state retaliates against Kansas domestic insurers because the insurance department service fee imposed by Kansas law is greater than that state's fee or the other state has no comparable fee, Kansas domestic insurers (this credit is not available to companies organized outside of Kansas) may claim a dollar-for-dollar credit for the retaliatory fee against the Kansas premium taxes. The credit may not exceed 90% of the insurer's annual premium tax due the State of Kansas.

§§ 74-8205; 74-8304; 74-8401 Local Seed Capital Pools and Venture Capital Companies Tax Credit

Allow a portion of investment in certified local seed capital pools and venture capital companies as a credit against the premium tax. The credit shall be applied only against such taxpayer's corporate income tax liability.

→ §§ 79-32,194 to 79-32,199b Community Services Program Act Tax Credit

A credit against the premium tax shall be allowed for a portion of the amount contributed to specified community service programs. This credit is not available to health maintenance organizations. (See <https://www.ksrevenue.gov/prtaxcredits-community.html> for additional information.)

§ 40-252e Small Business Credit

This credit is available to companies that write premiums of less than \$15 million annually. This credit is not available to health maintenance organizations.

§ 40-252d Employee Salary Credit

15% of total salaries that companies pay to Kansas employees can be used towards a credit against premium tax liability. The credit is capped based on whether the company is an affiliate, as is further defined in the statute. This credit is not available to health maintenance organizations.

→ §§ 74-50,114; 74-50,132; 79-32,153; 79-32,154; 79-32,160a; 40-252f Business and Job Development
(See also "Qualified Business Facilities Credit" on page KS-6.)

Allows a credit if there is a hiring of a certain number of employees as a direct result of investments in a qualified business facility. Effective for all taxable years beginning after Dec. 31, 2010, no business and job development credit computed under the Job Expansion and Investment Act of 1976, or the Kansas Enterprise Zone Act shall be allowed for those taxpayers that have made an investment and placed that investment into service for Dec. 31, 2010. Remaining credits that have been earned under § 79-32,160a may be carried forward to succeeding tax years as long as all requirements are met. See <https://www.ksrevenue.gov/prtaxcredits-busjob.html> for additional information. This credit is not available to health maintenance organizations.

Credits (cont.)

→ § 40-2813 Disabled Access Credit

The disabled credit is available to taxpayers who make their property accessible to the disabled. The property must be an existing building, facility or equipment located in Kansas and used in a trade or business held for the production of income. *See* <https://www.ksrevenue.gov/prtaxcredits-disabled.html> for additional information. This credit is not available to health maintenance organizations.

→ § 79-32,211 Historical Preservation Credit

The credit is available to a qualified taxpayer that makes qualified expenditures to restore or preserve a qualified historic structure according to a qualified rehabilitation plan. This credit is not available to health maintenance organizations. *See* <https://www.ksrevenue.gov/prtaxcredits-historic.html> for additional information and for Kansas Department of Revenue Schedule K-35.

§ 40-2121 Kansas Health Insurance Association Credit

Due to the implementation of the Affordable Care Act and its guarantee issue requirements, the Kansas Health Insurance Association (KHIA) had been in runoff mode because no one is eligible for the coverage. The runoff has been completed and the remaining money in the pool was returned. This credit is no longer available.

§ 40-3016 Kansas Life and Health Insurance Guaranty Association Credit

May offset assessments against premium tax at a rate of 20% a year for five years beginning the year after assessment paid. This credit is not available to health maintenance organizations.

§ 40-2906a Property and Casualty Guaranty Association Credit

May offset assessment due to insolvency against premium tax at a rate of 20% a year for five years beginning the year after assessment paid. Assessment must be shown in annual statement as an asset. This credit is not available to health maintenance organizations.

§ 74-8133 Angel Investment Credit

A credit shall be allowed for a cash investment in the qualified securities of a qualified Kansas business approved by the Kansas Technology Enterprise Corporation. This credit is not available to health maintenance organizations. Starting with tax year 2021, the credit shall be up to 50% of investor's cash investment in any qualified Kansas business subject to limitations. The balance of unissued tax credit may be carried over for issuance in future years until tax year 2026. (*See* <https://www.ksrevenue.org/prtaxcredits-angel.html> for additional information.)

→ § 74-50,154 Regional Foundation Credit

A credit shall be allowed for contributions to regional foundations designated by the Kansas Secretary of Commerce. An approved credit application for the foundation for the tax year must accompany the tax return. This credit is not available to health maintenance organizations. (*See* <https://www.ksrevenue.gov/prtaxcredits-RegionalFoundation.html> for additional information.)

Credits (cont.)

§§ 40-252f; 79-32,160a Qualified Business Facilities Credit

Qualifying insurance companies are allowed credits against the premium tax in amounts equal to such credits allowed under the high-performance incentive program and the business and job development credits, if certain conditions are met. Credits are allowed until Jan. 1, 2012, or until exhausted. For projects placed into service on and after Jan. 1, 2021, a taxpayer may transfer up to 50% of the tax credit allowed under subsection (e).

§ 79-32,262 Qualified Capital Investment Credit

The declared disaster capital investment tax credit program has been established for the purpose of assisting businesses in specific declared disaster areas. An investment credit is provided to any business that constructs, equips, reconstructs, maintains, repairs, enlarges, or furnishes a business facility in the designated areas. The capital investment must be made within three years from the date of the disaster. The tax credit is up to 10% of the capital investment. It is a nonrefundable credit and can be carried forward for up to 10 years. A taxpayer can claim a maximum of \$100,000 in tax credits through this program. The taxpayer may elect to receive a refundable credit in the amount of 50% of the tax credit earned. Should the taxpayer choose the refundable credit in lieu of the nonrefundable credit, the remaining portion of the tax credit shall be lost.

→ H.B. 2237 (2022) Kansas Affordable Housing Credit

For all taxable years commencing after December 31, 2022, owners of low-income housing development projects located in Kansas that qualify for the federal credit under IRC § 42 can claim a credit against insurance premium tax liability.

→ H.B. 2237 (2022) Housing Investor Credit

For all taxable years commencing after December 31, 2022, taxpayers who invest in qualified housing projects can claim a credit against insurance premium tax liability.

→ CH. 63, H.B. 2239 (2022) College Deferred Maintenance Credit

Any taxpayer who contributes to a community college located in Kansas for capital improvements, to a technical college for deferred maintenance or the purchase of technology or equipment or to a postsecondary educational institution located in Kansas for deferred maintenance, shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252,

→ Ch. 3, S.B. 347 (2022) Attracting Powerful Economic Expansion Credits

Attracting Powerful Economic Expansion (APEX) creating economic development incentives for qualified firms and suppliers. The incentives packages include insurance premiums tax liability.

Payment Due Dates:

→ § 40-252

Prepay 50% of prior year's premium tax, fire marshal and retaliatory taxes on June 15 and on Dec. 15. Prepayment is based on amount reported on previous year's original tax return. (Amended returns will not alter the prepayment calculations.)

NOTE: The billing statement is made available and must be paid through "Company Desktop".

Penalties:

§ 40-112

Assessments payable under this section shall be past due if not paid to the insurance department within 45 days of the billing date of such assessment. A penalty equal to 10% of the amount assessed shall be imposed upon any past due payment and the total amount of the assessment and penalty shall bear interest at the rate of 1.5% per month or any portion thereof.

Extensions:

§§ 40-252; 40-225

Insurers must file their premium tax returns when filing the annual statement annually on January 1 or within 60 days thereafter. The commissioner is allowed to grant a reasonable extension of this for premium tax returns and annual statement filings.

→ K.S.A. 40-2,125

Any return filed after March 1, 2023 will be assessed a late filing penalty of \$1,000.

Retaliatory Law:

§ 40-253

When other states charge Kansas insurers taxes, fees, fines, penalties, licenses, or compensation for examination, including taxes or fees based on fire premiums, or require deposits in excess of those Kansas charges insurers domiciled in other states, retaliation will occur on an aggregate basis. In the case of merger or redomestication; retaliation is based on other states' treatment of the surviving company. Does not apply to special purpose assessments or guaranty association assessments under the laws of this or any other state. A tax offset or credit for an assessment shall be treated as a tax paid for purposes of this section.

FEES

Kansas retaliates on an aggregate basis for all taxes and fees. The return includes a separate summary sheet for comparison of all fees and taxes paid in Kansas and that would have been paid in the state of domicile, and the total that is higher is paid.

→ Insurers' Fees:

§§ 40-252; 40-3213; 40-2,133; 40-4103; 40-4116; 40-218; Department website

Admission fees:

| | |
|---|-------|
| Examination of charter and other documents..... | \$500 |
| Filing annual statement | 100 |
| Certificate of authority | 10 |

Certificate of authority:

| | |
|--------------------|----|
| Continuation | 10 |
|--------------------|----|

Annual statement:

| | |
|-------------------------------|-----|
| Annual statement filing | 100 |
|-------------------------------|-----|

The above fees apply to domestic and foreign capital stock insurers and mutual insurers, reciprocal or interinsurance exchanges, fraternal benefit societies, nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations.

Domestic capital stock insurance companies and mutual legal reserve life insurance companies:

| | |
|--|----|
| Filing application for sale of stock or certificates of indebtedness | 25 |
|--|----|

HMO fees:

| | |
|---|-----|
| Application for certificate of authority | 150 |
| Annual report | 50 |
| Amendment to the certificate of authority | 10 |

Miscellaneous services:

| | |
|---|-----|
| Service of process | 25 |
| Notification of appointment of managing general agents' contract..... | 100 |
| Notification by risk retention group..... | 250 |
| Notification by purchasing groups..... | 250 |

Appointments:

| | |
|---|---|
| Resident agent appointment fee (domestic companies)..... | 2 |
| Non-Resident agent appointment fee (foreign companies)..... | 5 |

Effective July 1, 2021, companies are required to submit all appointment and termination transactions online through the National Insurance Producer Registry (NIPR) at www.nipr.com.

→ Producer Licensing Fees:

§ 40-4906; Kan. Admin. Regs. 40-7-19; 40-7-21

Agents and Business Entities (Agency):

| | |
|--|------|
| Resident agent license application fee | \$30 |
| Resident agent license fingerprinting fee | 50 |
| Resident agent license renewal fee, biennially | 4 |
| Non-Resident agent license application fee | 80 |
| Non-Resident agent license renewal fee, biennially | 50 |
| Resident business entity license application fee | 30 |
| Resident business entity license renewal fee, biennially | 4 |
| Non-Resident business entity license application fee | 80 |
| Non-Resident business entity license renewal fee, biennially | 50 |
| * Examination | |
| Single line | 57 |
| Two or more lines | 64 |

* These fees are paid for by the examinee directly to the exam vendor.

Effective January 1, 2022, agents and business entities (agencies) will apply for a resident or non-resident agent or business entity (agency) license online via NIPR. Paper applications will no longer be accepted by the Department. In addition, effective January 1, 2022, resident and non-resident agents and business entities (agencies) will be required to biennially renew their licenses online via NIPR.

§ 40-4203

Prepaid service plans:

| | |
|-----------------------------|---|
| Registered individuals..... | 2 |
|-----------------------------|---|

Fee paid by service plan.

DEPOSITS

§§ 40-401; 40-402 Domestic or Foreign, Stock or Mutual Life Insurers

Deposit at least \$400,000.

§§ 40-901; 40-1102 to 40-1104 Domestic or Foreign Stock Fire or Casualty Insurers

Deposit at least \$450,000.
Multiple line insurers deposit at least \$900,000.

§§ 40-1103; 40-1104 Domestic or Foreign Title Insurers

Deposit at least \$300,000.

Deposits (cont.)

§§ 40-1204; 40-1210 Domestic or Foreign Mutual Fire or Casualty Insurers

Deposit at least \$450,000.

Multiple line insurers deposit at least \$900,000.

§ 40-1001a Domestic Mutual Fire

Deposit at least \$50,000.

§ 40-1027 Domestic Mutual Fire and Tornado Insurers

Deposit \$150,000.

§ 40-1519 Domestic Mutual Hail Insurers Writing Fire

Deposit at least \$50,000.

All deposit requirements are subject to retaliation.

CONTACT PERSON

Charlotte Daubert: (785) 291-3191; charlotte.daubert@ks.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

COMMONWEALTH OF KENTUCKY

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Ky. Rev. Stat. Ann. §§ 136.330 to 136.350

Premiums received, excluding annuities, minus deductions for dividends on accident and health insurance, including membership or policy dues or fees, less returned premiums. Include reinsurance on Kentucky risks received from unauthorized companies. Foreign mutual companies other than life may deduct dividends paid. Workers' compensation premiums taxed separately.

Tax Rate:

§§ 136.320; 136.330 to 136.350; 136.390

2% all insurers except life.

1.5% foreign and domestic life insurers.

§ 304.45-080

Risk retention groups and insurers providing liability insurance to purchasing groups are taxed the same as insurers. Subject to local government premium taxes, premium surcharge and corporation taxes.

Other Taxes and Assessments:

§ 136.360 Fire Safety Tax

Every stock insurer other than life shall pay 0.75% tax on fire insurance premiums, and portion of premiums reasonably allocable to insurance against the hazards of fire to defray costs of administering fire prevention laws.

§ 304.8-190 Examination Expense Fund

Insurers maintaining deposits shall be assessed proportionately for the costs of the executive director. Minimum charge is \$5 per insurer.

§ 304.2-440 Operation of the Department of Insurance

If insufficient funds to operate department, may assess insurers amount not to exceed 0.0235% of net direct written premium from Kentucky business. There was no assessment for 2022.

Other Taxes and Assessments (cont.)

→ §§ 142.301 to 142.363 Health Care Provider Tax

See <https://revenue.ky.gov/Business/Health-Care-Provider-Tax/Pages/default.aspx> for current rates

- 2.5% Hospital services
- 2% Home Health Care Services (additional 5.5% for Intermediate-Care Facility Services for Intellectual Disabilities)
- 0% Regional Community Services for Mental Health & Intellectual Disabilities (up to 4%)
- 0% Psychiatric Residential Treatment Facility Services (up to 5.5%)
- 5.5% Medicaid Managed Care Organization Services
- 5.5% Supports for Community Living (SCL) Waiver Services
- \$3.64 per bed per day Hospital Based Nursing Facilities
- \$1.82 per bed per day Non-Hospital Based Nursing Facility with 60 or fewer beds (facility must contain licensed intermediate care facility beds as of Sept. 1, 2005)
- \$4.12 per bed per day Non-Hospital Based Nursing Facility with total census days greater than 60,000
- \$12.85 per bed per day Non-Hospital Based Nursing Facility with total census days less than or equal to 60,000

§ 136.060 Corporation Organization Tax

At the time a stock insurer incorporates, it shall be liable for a tax based on the number of shares authorized at rate of one cent for each of first 20,000 shares, one-half cent for each share between 20,000 and 200,000 shares and one-fifth cent for each share above 200,000. If amend articles to authorize more shares, compute tax at same rates.

§§ 136.320; 136.335 Domestic Life Insurers

Domestic life insurers must make an irrevocable election whether to pay premium on same basis as foreign life insurers or to pay tax on the basis of taxable capital and taxable reserves as calculated under § 136.320. Companies doing business in Kentucky prior to Jan. 1, 2000, made an election before that date. Insurers applying for a certificate to do business after Jan. 1, 2000, shall include the election with the application.

Taxable capital is defined as capital minus taxable reserves. The rate is 0.001%. In addition, life insurers are taxed on premium receipts at the rate of 1.5%. An insurer may offset the tax liability on taxable capital against the premium tax.

Other Taxes and Assessments (cont.)

§ 299.530 Annual Report on Reinsurance Premiums; Tax on Premiums Paid to Unauthorized Companies

All domestic mutual fire insurance companies with special charters or cooperative and assessment fire insurance shall pay 2% of premiums paid to any unauthorized company.

§ 304.11-050 Premium Tax on Unauthorized Insurer

Every unauthorized insurer shall pay 2% of gross premiums charged subjects resident, located, or to be performed in this state.

§ 304.4-030 Domestic Mutual Insurers Reinsurance

Domestic mutuals shall pay a premium tax of 2% on the amount of premiums paid to reinsurers not authorized to transact business in Kentucky.

→ §§ 68.197; 91A.080 Local Government Premium Tax

Cities or urban-county governments or counties or charter counties or consolidated local governments may impose license fees or taxes upon insurance companies based on the amount of premiums collected upon persons or risks located within the corporate limits. Premiums received on health insurance policies issued to individuals or issued through Kentucky Access are excluded. *See* Bulletins 2021-001 and 2022-001 for a more detailed explanation of all exclusions.

If an insurance company has willfully engaged in a pattern of business conduct that fails to properly collect and remit the fee or tax imposed, the department of insurance may assess the responsible insurance company an appropriate fee no greater than 10% of the additional license fees or taxes determined to be owed.

There is a \$5 fee for LGPT Annual Reconciliation filing, pursuant to 806 KAR 2:095 § 3(1)(b).

§ 136.392 Premium Surcharge

Every domestic, foreign or alien insure, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either §§ 136.340, 136.350, 136.370 or 136.390, shall charge and collect a surcharge of \$1.80 upon each \$100 of premium, assessments or other charges, except for those municipal premium taxes, made for it for insurance coverage provided to its policyholders, on risk located in this state. The commissioner of revenue has the authority to adjust the surcharge rate.

→ Bulletins 2021-001 and 2022-001 Local Government Premium Tax Rates

The first bulletin contains information on local government premium taxes for July 1, 2021, to June 30, 2022, and the second bulletin contains information for July 1, 2022 to June 30, 2023.

Other Taxes and Assessments (cont.)

→ §§ 342.122; 342.1243; 803 Ky. Admin. Regs. 30:010 Workers' Compensation Assessment

Insurance carriers shall pay a Special Fund assessment of 6.94% in 2022 on workers' compensation premiums for all employers as defined by KRS Chpt. 342.001(25). In addition to the "All Employers Rate," insurance carriers shall pay a coal workers' pneumoconiosis assessment of 0.00% on workers' compensation premiums received from employers who are engaged in the severance or processing of coal. All consideration of the calculated cost of coverage shall be included in the Special Fund assessment base. The assessments imposed shall be in lieu of all other assessments or taxes on workers' compensation premiums, and determined independent of the regulations of any other agency or agencies. These assessments are paid quarterly to the Kentucky Workers' Compensation Funding Commission online at <https://kwcfc.ky.gov/>.

§ 304.17B-021 Kentucky Access Health Insurance Pool

Insurers may be assessed to cover the expenses of the pool. Assessments will be made yearly on Mar. 31 to cover the prior year's losses.

§ 304.36-080 Property and Casualty Guaranty Association

Assess member insurers no more than 2% of net direct written premiums to pay expenses of handling claims of insolvent insurers.

§ 304.42-090 Life and Health Guaranty Association

May assess member insurers pro rata or non-pro rata for administrative expenses. If pro rata, may provide that it be credited against insolvency assessments. In addition, may assess member insurers no more than 2% of the member insurer's average premiums for past 3 years on types of insurance in account with deficiency.

Exclusions and Deductions:

§ 91A.080 Local Government Premium Tax

Premiums for group health insurance provided for state employees and premiums received for insuring employers against liability for personal injuries to their employees, or death caused thereby, under the provisions of the workers' compensation act are exempt from city and county taxes.

No license fee or tax imposed shall apply to premiums received on health insurance policies issued to individuals, policies issued through Kentucky Access, high deductible health plans utilized in conjunction with a health savings account.

No license fee or tax imposed under this section shall apply to premiums paid to insurers of municipal bonds, leases or other debt instruments issued by or on behalf of a city, county, charter county government, urban-county government, consolidated local government, special district, nonprofit corporation or other political subdivision of the commonwealth.

(cont.)

Exclusions and Deductions (cont.)

§ 91A.080 Local Government Premium Tax (cont.)

No license fee or tax imposed under this section shall apply to premiums paid to insurance companies or surplus lines brokers by nonprofit self-insurance entities whose membership consists of school districts (effective July 15, 2014).

§§ 132.210; 304.29-241 Fraternal Benefit Societies

Fraternal are exempt from all taxes except on real property and office equipment.

§§ 136.330 to 136.350 State Employees Health Insurance

Contracts of health insurance for state government employees are not subject to a tax on their premiums.

§ 136.350

The provisions for this statute shall not apply to domestic mutual companies, cooperative or assessment fire insurance companies.

§ 136.392 Premium Surcharge

Federal government, resident, non-profit educational and charitable institutions that have qualified for exemption from income taxation under I.R.C. § 501(c)(3) are exempt from the surcharge. The Commonwealth of Kentucky or any of its agencies, and any city, county, political subdivision or local government body of the commonwealth are exempt from the surcharge on premiums collected for coverage of real property only. Resident, non-profit religious institutions are exempt from the surcharge on premiums collected for real, tangible and intangible property coverage only. Premiums received for health and accident insurance, reinsurance, title insurance, workers' compensation, federal insured crop insurance and federal insured flood insurance are exempt from the premium surcharge.

§ 136.395

Hospital, medical or dental service corporations are exempt from premium tax.

§§ 136.330 to 136.350; Kentucky Tax Alert (Mar. 1996)

The Kentucky Department of Revenue has agreed to exempt the premiums received for federal crop insurance from insurance premium tax, in accordance with *State of Kansas, ex rel Todd v. United States of America*.

The department of revenue has agreed to exempt the premiums received for federal flood insurance which are the Write-Your-Own (WYO) Flood Insurance and the Direct Written Program from insurance premium tax.

Credits:

§ 304.42-130 Life and Health Guaranty Association

May offset insolvency assessments at rate of 20% for each of the five years beginning the year after the assessment is paid.

Payment Due Dates:

§ 91A.080 Local Government Premium Taxes

Quarterly returns are due 30 days after the end of each calendar quarter. The annual reconciliation is due Mar. 31 annually to each city, county, or urban-county government, as well as to the department of insurance.

§ 136.392 Premium Surcharge

On or before the 20th day of each month, each insurer shall report and remit to the Department of Revenue, on forms as it may require, all premium surcharge moneys collected by it during its preceding monthly accounting period less any moneys returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. Insurers with an annual liability of less than \$1,000 for each of the previous two calendar years may report and remit to the Department of Revenue all premium surcharge moneys collected on a calendar year basis on or before Jan. 20 of the following calendar year.

→ § 136.372 Declaration of estimated tax

Any company whose tax was \$5,000 or more in the previous year shall file a declaration of estimated tax. The tax due shall be paid in 3 installments, 1/3 on or before June 1, 1/3, on or before October 1, and the remainder on or before the following March 1. (Effective 7/14/22)

Penalties:

§ 91A.080 Local Government Premium Taxes

Late payments bear interest at rate set by department of revenue. In addition, the local government may assess a 10% penalty for a tax or fee not paid within 30 days. Willful failure to remit is grounds for revocation of certificate of authority.

§ 131.180 Late Filing Penalties

Late filed premium tax returns and surcharge reports are subject to a penalty of 2% per month, not to exceed 20% penalty, plus interest. Payment of less than 75% of the tax due is subject to a penalty of 2% per month, not to exceed 20% penalty, plus interest.

§ 136.990 Failure to File Return

Shall forfeit \$100 for each offense. Commissioner of the department of insurance shall revoke license.

Penalties (cont.)

→ § 136.372 Declaration of estimated taxes

All taxes not paid when due may be subject to a penalty of 5% per month, but not more than 25% penalty shall be assessed on any one report and interest at the tax interest rate from the date the report is due. (Effective 7/14/22)

Extensions:

No specific provision for extension. It is department policy to consider requests.

Retaliatory Law:

§ 91A.080 Local Government Premium Tax

If any state retaliates against Kentucky companies because of the imposition of city or county taxes, Kentucky will impose an equal tax on premiums written in this state by insurers domiciled in that state.

§ 304.3-270

When any other state charges Kentucky insurers or their representatives' taxes, licenses or other fees, in the aggregate, and any other fines, penalties, deposit requirements, etc., which are in excess of those Kentucky charges similar insurers, retaliation will occur. This does not apply to personal income taxes, nor to ad valorem taxes or real or personal property, nor to special purpose assessments imposed in connection with insurance other than property insurance. Assessments made by guaranty associations shall not be considered or used in determining retaliatory taxation to be imposed upon insurers doing business in Kentucky but organized under the laws of another state.

FEES

Fees and taxes are aggregated on the premium tax return for purposes of retaliation. Payment of fees is, however, made to department of insurance rather than being included with the taxes being paid to the department of revenue. If no fee is listed for a particular procedure, the department collects no fee, nor does it charge a retaliatory fee.

→ Insurers' Fees:

→ 806 Ky. Admin. Regs. 4:010

Filing charter documents:

| | |
|---|-------|
| Original charter document, bylaws and records of organization or certified copies required to be filed | \$100 |
| Amended charter documents, bylaws, and records of organization or certified copies required to be filed | 50 |

Certificate of authority:

| | |
|--|-----|
| Issuance of original certificate | 500 |
| Amending to add a line | 50 |
| Renewal each year | 100 |

Organization of domestic mutual insurers:

| | |
|--|-----|
| Filing application for solicitation permit and issuance of [such] permit | 200 |
|--|-----|

Annual statement:

| | |
|--|-----|
| Filing each year | 100 |
| Filing additional or supplemental statement in the same year | 100 |

Advisory organizations:

| | |
|-------------------------------|-----|
| Application for license | 500 |
| Annual renewal | 100 |

Rate and form filings:

| | |
|--|---------------------|
| Rate level revision filing in a noncompetitive market or other rate level revision filings subject to prior approval by the commissioner | 100 |
| Credit life or health insurance filing requiring review | 100 |
| Other rate and form filings..... | 5 per rate and form |

Insurance premium finance companies:

| | |
|-------------------------------|-----|
| Application for license | 500 |
| Annual renewal | 100 |

Life settlement:

| | |
|--------------------------|-------|
| Individual provider..... | 500 |
| Business entity | 1,500 |

Insurers’ Fees (cont.)

806 Ky. Admin. Regs. 4:010 (cont.)

Miscellaneous services:

Lists:

| | |
|--|-------|
| Property, casualty, personal lines, variable life, variable annuities, life and health: computer printouts of lists and mailing labels | \$300 |
| Property, casualty, personal lines, variable life, variable annuities, life and health: computer printouts in electronic or digital media | 265 |
| All other lines | 100 |
| Listing for each ZIP code | 50 |
| Appointment activity of a specific agent..... | 5 |
| Adjusters, consultants, managing general agents, solicitors, surplus lines brokers and third-party administrators..... | 90 |

Insurer directories:

| | |
|---|----|
| All authorized insurers | 90 |
| Insurers by line of insurance | 90 |
| Appointments activity by a specific insurer | 50 |
| Business entity license directory | 90 |
| Business entity by line of authority | 90 |
| Appointment activity of a specific business entity..... | 10 |

| | |
|--|---------------------------------------|
| Other printouts or magnetic tapes not specified above, if the request is approved by the commissioner..... | cost to be determined by commissioner |
| Filing other documents each | 5 per document |
| Commissioner’s certificate under seal, other than certificates, licenses, and other documents provided for above each | 5 |
| For copies of any document on file with the commissioner, per page..... | 0.30 |
| Copy of annual statements per page | 1 |

Cost of administering nonprofit hospital corporations:

| | |
|--|------|
| Membership per contract in force on Dec. 31 of each year, except health insurance contracts for state employees | 0.10 |
|--|------|

Appointments:

| | |
|---|-----|
| Resident agents, biennially, per insurer | 40 |
| Nonresident agents, biennially, per insurer..... | 50 |
| Resident business entity biennially, per insurer..... | 100 |
| Nonresident business appointments, biennially, per insurer..... | 120 |

Appointment fee is based on the following, per insurer (when processed at the same time) by agent’s lines of authority: for life, variable life, variable annuities and health, one fee; property and casualty, one fee; and all other lines of authority, fee applies to each line of authority.

→ Producer Licensing Fees:

→ 806 Ky. Admin. Regs. 4:010

Agent licenses:

| | |
|---|------|
| Resident agent, for license | \$40 |
| Plus for each line of authority an additional fee of..... | 40 |
| Nonresident agent, for license..... | 50 |
| Plus for each line of authority an additional fee of..... | 50 |
| Resident business entity, for license | 100 |
| Plus for each line of authority an additional fee of..... | 100 |
| Nonresident business entity, for license..... | 120 |
| Plus for each line of authority an additional fee of..... | 120 |
| No renewal fee if have active appointment | |
| Temporary license as agent..... | 20 |

Surplus lines broker:

| | |
|---------------|-----|
| Biennial..... | 100 |
|---------------|-----|

Pharmacy benefit manager:

| | |
|---------------------------------------|-------|
| License, annual license renewal | 1,000 |
| Late renewal penalty | 500 |

Portable electronics insurance retailer:

| | |
|---|------------------|
| One to twenty locations in Kentucky..... | 100 per location |
| Twenty-one or more locations in Kentucky..... | 2,500 |

Managing general agent:

| | |
|---------------|-----|
| Biennial..... | 100 |
|---------------|-----|

Reinsurance intermediary:

| | |
|---------------|-----|
| Biennial..... | 100 |
|---------------|-----|

Rental vehicle:

| | |
|------------------------------------|-----|
| Agent, business entity | 100 |
| Location, each location | 50 |
| Managing employee, individual..... | 40 |
| Nonresident individual..... | 50 |
| Nonresident business entity | 120 |

Adjuster license:

| | |
|--|----|
| Biennial..... | 50 |
| Temporary license as apprentice adjuster (nonrenewable)..... | 25 |

Administrator’s license:

| | |
|---------------|----|
| Biennial..... | 50 |
|---------------|----|

Consultant license:

| | |
|---------------|-----|
| Biennial..... | 100 |
|---------------|-----|

Producer Licensing Fees (cont.)

806 Ky. Admin. Regs. 4:010 (cont.)

Life settlement:

| | |
|------------------------|-------|
| Individual broker..... | \$250 |
| Business entity | 750 |

Examination fee:

| | |
|---|----|
| Per exam | 50 |
| Property and casualty is a combined exam when taken at the same time. | |

Certification:

| | |
|--|---|
| Certification, clearance letter, duplicate license, etc..... | 5 |
|--|---|

There is no retaliation on agent’s fees. Fee may be paid by individual or company.

DEPOSITS

§ 304.3-140

Insurers must make deposit equal to minimum required capital (stock insurer) or surplus (mutual). In lieu of a deposit in this state, foreign insurers may present a certificate that they have a deposit of like kind and quantity maintained in another state.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

§ 304.8-150 Domestic Life Insurers

Total amount deposited must equal policy reserves, but no more than \$20 million.

→ **CONTACT PERSON**

Department of Revenue

Cheryl Hunt: (502) 564-4810; cheryl.hunt@ky.gov

Department of Insurance

Russ Coy: (502) 564-6082; russell.coy@ky.gov

Rob Roberts: (502) 564-6026; rob.roberts@ky.gov

John Hord: (502) 782-5349; John.Hord@ky.gov

→ Workers’ Compensation Funding Commission

Lisa Gilreath-King: (502) 782-1717; lisag.king@ky.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.



**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE
FRANKFORT, KENTUCKY**

Bulletin 2021-001

TO: All Authorized Insurance Companies and Surplus Lines Brokers Subject
To Kentucky Local Government Premium Taxes

FROM: Sharon P. Clark, Commissioner

RE: 2021-2022 Kentucky Local Government Premium Tax
Updates to Forms and Documents

DATE: April 9th, 2021_

The following Bulletin is to advise the reader of the current position of the Kentucky Department of Insurance (the “Department”) on the specified issue. The Bulletin is for informational purposes only and is not legally binding on either the Department or the reader.

Please review the information in this Bulletin carefully, as it contains information regarding changes to procedures for adjudicating Local Government Premium Tax (“LGPT”); updates and amendments to various LGPT forms and documents regarding rates imposed by local governments on collected premium; as well as the Tax Schedule, Tax Code Descriptions, and Listing of Payees and Addresses documents, in accordance with KRS 91A.080.

I. Local Government Premium Tax

KRS 91A.080 authorizes local governments to impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance. The license fees or taxes are based on “premium” as defined in KRS 304.14-030. A “local government” is defined by KRS 91A.0802(1) as a “city, county, charter county, consolidated local government, urban-county government, or unified local government.” Newly adopted or amended license fees or taxes become effective July 1 of each year on a prospective basis only. KRS 91A.080(1) requires the Commissioner of Insurance to notify each insurance company engaged in the business of insurance in the Commonwealth of the license fees or taxes no less than 85 days prior to the effective date. Accordingly, attached are the updated 2021-2022 Kentucky Local Government Premium Tax Schedule and the 2021-2022 Listing of Payees and Addresses.

Local governments that have adopted or amended their LGPT rates, payees, and addresses since the publication of Bulletin 2020-03 are indicated with an asterisk (*) on the *2021-2022 Local Government Premium Tax Schedule*. **Please also note changes in Tax Codes on the *Local Government Premium Tax Code Descriptions* document.**

Surplus lines brokers are subject to the payment of LGPT pursuant to KRS 304.10-180(3). Consequently, surplus lines brokers and insurance companies are obligated to comply with the provisions of KRS 91A.080. Insurance companies and surplus lines brokers must adopt procedures to conform to the 2021-2022 Local Government Premium Tax Schedule by July 1, 2021. The *2021-2022 Local Government Premium Tax Schedule* applies only to premiums collected July 1, 2021, through June 30, 2022.

II. Determination of LGPT Liability

To assist insurance companies and surplus lines brokers in determining the location of an insurance risk, the Department has published the *LGPT Risk Location Chart*, located on the Department's website at <http://insurance.ky.gov/ppc/Documents/LGPTRiskLocationChart070212.pdf>. Pursuant to KRS 91A.080, taxes are imposed on insurance risks located within the corporate limits of the local government. An insurance risk may not necessarily be located at the mailing address of the insured. It is imperative that the insurance company/surplus lines broker identify the specific county and/or city, as well as physical address/actual risk location, in order to properly assess the LGPT. ZIP codes shall not be used to determine LGPT.

Pursuant to KRS 91A.0806(6), to assist in identifying the location of an insurance risk, an insurance company/surplus lines broker shall use a Verified Risk Location system or program during the calendar year if the total policies issued and renewed by the insurance company/surplus lines broker in Kentucky in the preceding calendar year is more than two thousand (2,000). An insurance company/surplus lines broker may avoid penalties associated with the nonpayment of LGPT, provided the insurance company/surplus lines broker utilizes a Verified Risk Location system and performs due diligence in the location of insurance risks in accordance with KRS 91A.0806(4).

The insurance company/surplus lines broker must use the LGPT rate effective on the first day of the policy term. When an insurance company/surplus lines broker collects a premium as a result of a change in the policy during the policy term, the LGPT rate used shall be the rate in effect on the effective date of the policy change. The LGPT rates are to be charged per policy.

III. Disclosure of Local Government Premium Tax

In accordance with KRS 91A.0810 and 806 KAR 2:092, if the LGPT is included in the premium charged to the policyholder, the insurance company/surplus lines broker shall disclose the amount of the LGPT charged for the term and the name of the taxing jurisdiction to which the LGPT is due. For newly issued policies, the disclosure shall be included on the policy, the declarations page(s), or the initial billing instrument. For renewed or newly endorsed policies, the disclosure shall be included on the renewal certificate or the billing instrument for each period for which premium or additional premium is charged to the policyholder. Insurance companies/surplus lines brokers should refer to 806 KAR 2:092 for a complete list of instructions regarding the contents of the disclosure.

Other disclosure provisions include:

- (a) Disclosure of LGPT shall not be required if the insurance company does not charge the LGPT to the policyholder;
- (b) If LGPT is owed to multiple taxing jurisdictions, the disclosure shall list separately each taxing jurisdiction to which LGPT is owed;
- (c) If a credit of a city LGPT is applied to a county LGPT pursuant to KRS 91A.080(12), and the result is that no LGPT is owed to the county, the disclosure is not required to include the county in the itemization of taxing jurisdictions required in 806 KAR 2:092 Section 3; and
- (d) If a collection fee is included in the amount charged to the policyholder, the disclosure shall state that the amount includes the LGPT and a collection fee.

IV. Special Instructions Related to Surplus Lines Business

Pursuant to KRS 304.10-180(3), each surplus lines broker is required to pay the LGPT in accordance with KRS 91A.080.

As outlined in Section XV of this Bulletin, separate quarterly tax returns shall be submitted to the applicable local government by the surplus lines broker using Form *LGT-141*. Each return submitted to the local government shall include a listing of the insurance companies that supplied the coverage for which the premiums and LGPT are being reported. This information shall be listed in the designated section of Form *LGT-141*. Please note that surplus lines brokers are not required to submit a separate Form *LGT-141* to each local government for every insurance company through which insurance business was exported. However, it is important to note that the Department requires a breakdown of premium and LGPT by company and municipality when reporting the annual reconciliation.

In accordance with Section XVII of this Bulletin, annual reconciliation reports shall be filed with the Department, as well as with the applicable local government, by the surplus lines broker. Each return/Form *LGT-141* submitted to local governments shall include a listing of the insurance companies that supplied the coverage for which the premiums and LGPT are being reported. This information shall be listed in *SECTION III* of Form *LGT-140*. Please note that surplus lines brokers are not required to submit a separate Form *LGT-140* to each local government for every insurance company through which insurance business was exported.

V. Exemptions to LGPT Liability (*see* KRS 91A.080(10) through (14))

No license fee or LGPT shall apply to premiums collected on the following:

- Policies of group health insurance provided for state employees under KRS 18A.225;
- Health insurance policies issued to individuals;
- Workers' compensation insurance;
- Annuities;
- Federal flood insurance;

- Municipal bonds, leases or other debt instruments issued by or on behalf of the local government unless the bonds, leases, or other debt instruments are issued for profit or on behalf of for-profit or private organizations;
- Policies for high deductible health plans as defined in 26 U.S.C. sec. 223(c)(2), commonly referred to as health savings accounts;
- Policies of insurance or reinsurance by the Federal Crop Insurance Corporation as defined in 7 C.F.R. sec. 400.352(b)(2);
- Policies insuring or naming the state or one of its agencies or political subdivisions as an insured and surety bonds where the state or one of its agencies or political subdivisions is the obligee. For the purposes of LGPT payments, public school districts are considered agencies of the state, and policies insuring public school districts, as well as bonds with public school districts named as the obligee are exempt from LGPT;
- Premiums paid to an insurance company or surplus lines broker by nonprofit self-insurance groups whose membership consists of cities, counties, charter county governments, urban county governments, consolidated local governments, unified local governments, school districts, or any other political subdivisions of the Commonwealth; or
- Policies issued to public service companies that pay ad valorem taxes.

No license fee or LGPT shall apply to policies issued by:

- Entities issued a certificate of authority to do business in Kentucky only as a health maintenance organization (HMO) pursuant to KRS 304.38-060;
- Entities issued a certificate of authority to do business in Kentucky as a captive insurer pursuant to KRS 304.49-010;
- Domestic life insurance companies electing to be taxed under the provisions of KRS 136.320 — Capital and Surplus Tax; or
- Fraternal benefit societies pursuant to KRS 304.29-241.

Additional exemptions may apply pursuant to the ordinance enacted by the local government. Where applicable, please refer to the *Tax Code* for each local government identified on the attached *2021-2022 Local Government Premium Tax Schedule*, and as denoted in the *2021-2022 Tax Code Descriptions* document, for additional information.

Unless otherwise excluded by local government ordinance, a city is not exempt from the payment of county LGPT.

VI. Indivisible Premium

KRS 91A.080(8) requires a breakdown of all collections by category of insurance listed in the statute. Therefore, the appropriate premium must be allocated to the various lines of business before the applicable LGPT is calculated. For indivisible premiums, a weight of two-thirds of the premium must be given to the fire provision and one-third of the premium to the property and casualty provisions before determining the LGPT.

VII. LGPT on Life Insurance

The LGPT on life insurance shall be based on the first year's premiums and applied to the amount actually collected within the first year.

VIII. Minimum Tax

In some instances, a local government will enact an LGPT percentage, as well as a minimum tax amount. In these instances, the policyholder may have to pay either the LGPT amount calculated on the percentage rate, or the minimum tax amount established by the taxing jurisdiction on applicable lines of business; whichever is greater. The minimum tax is based upon the policy term and applicable only to new and renewal business on lines of business on which LGPT is imposed, unless otherwise stipulated in the local government's ordinance denoted in the *2021-2022 Tax Code Descriptions* document. Minimum tax is collected per policy and paid to the applicable taxing jurisdiction on a quarterly basis using Form *LGT-141*.

IX. Flat Fees

Flat fees shall be paid quarterly using Form *LGT-141* per insurance company and are not chargeable to the policyholder.

X. Collection Fees

Pursuant to KRS 91A.080(4) and 806 KAR 2:150, a reasonable collection fee may be charged and retained by the insurance company or its agent. The collection fee shall not be more than fifteen percent (15%) of the LGPT collected and remitted to the local government, or two percent (2%) of the taxable premium, whichever is less. This fee is in addition to the LGPT payable.

If a refund or credit of a LGPT is received by an insurance company/surplus lines broker that passed the LGPT on to the policyholder, and the amount refunded or credited is not owed to another local government, the insurance company/surplus lines broker is required to pay to the policyholder the full amount of the refund or credit, including any collection fee that had been retained. In accordance with 806 KAR 2:150, Section 2(5), a collection fee refunded shall be returned to the policyholder on a pro rata basis in the same manner that the refund of the LGPT is made.

XI. Appeals for LGPT Refunds, Credits, or Assessments

KRS 91A.0804 provides a sole and exclusive method for the filing of amended returns and requests or assessments by an insurance company/surplus lines broker, local government, or policyholder for nonpayment, underpayment, or overpayment of any license fee or LGPT imposed pursuant to KRS 91A.080. The procedures outlined in KRS 91A.0804, which were amended effective July 15, 2018, must be followed to properly request a refund or assessment related to nonpayment, underpayment or overpayment of LGPT.

All amended returns, requests for refunds or credits, and assessments shall be made within two years of the due date of the annual reconciliation (March 31) for the tax period during which the error was made. However, in the case of fraudulent failure to file a return or the filing of a fraudulent return, the underpayment may be assessed at any time.

Please note: If a quarterly report/return is amended for a previous tax year, the annual reconciliation must also be amended.

XII. Unearned Premiums

In accordance with KRS 91A.080(3), when premiums are returned to policyholders, as in the instance of a policy cancellation, the license fee or LGPT shall be returned by the insurance company/surplus lines broker to the policyholder pro rata on the unexpired amount of the premium. The license fee or LGPT shall be returned at the same LGPT rate at which it was collected and shall be taken as a credit by the insurance company/surplus lines broker on its next quarterly report to the local government. Returned premiums shall be reported on the annual reconciliation Form *LGT-140*. If the LGPT rate of the returned premium is different from the LGPT rate of the quarter in which it was returned, the returned premiums and the rate at which they were returned must be listed as separate line items on the amended Form *LGT-140*.

XIII. Credit for City LGPT Against County LGPT

Tax Code "A"

KRS 91A.080(12) and 806 KAR 2:095 requires insurance companies to credit city license fees or LGPT against the county license fees or LGPT imposed for the same license fees or LGPT imposed by the county. This credit only applies if the county ordinance was enacted on or after July 13, 1990. A credit of the city license fees or LGPT against the county license fees or LGPT must be taken if all of the following are true:

- The risk is located within the city limits;
- The county in which the city is located also imposes an LGPT;
- The county issued its Ordinance on or after July 13, 1990; and
- The county license fee or LGPT for the applicable line of business (life, health, casualty, etc.) is higher than the city license fee or LGPT.

If a credit is required, the insurance company must pay the license fee or LGPT due to the city and pay the balance due to the county.

For quarterly reporting purposes, city LGPT credits against county LGPT should be submitted to the county using Form *LGT-142*, along with Form *LGT-141* to both the county and the city.

For July 1, 2020, through June 30, 2021, **Tax Code A** applies to these cities/counties:

| | |
|---|---|
| <p>Hopkins County</p> <ul style="list-style-type: none"> • City of Dawson Springs (Life Only) • City of Saint Charles (Life Only) • City of White Plains (Life Only) | <p>Meade County</p> <ul style="list-style-type: none"> • City of Ekron (Except Health & Life) |
| <p>Pulaski County</p> <ul style="list-style-type: none"> • City of Science Hill (Except Health) | <p>Menifee County</p> <ul style="list-style-type: none"> • City of Frenchburg (Except Health & Life) |
| <p>Trimble County</p> <ul style="list-style-type: none"> • City of Milton (Except Health) | <p>Henderson County</p> <ul style="list-style-type: none"> • City of Robards |
| <p>Floyd County</p> <ul style="list-style-type: none"> • City of Wheelwright (Health Only) • City of Prestonsburg (Life Only) | <p>Knott County</p> <ul style="list-style-type: none"> • City of Hindman (Except Health & Life) |
| <p>Bullitt County</p> <ul style="list-style-type: none"> • City of Fox Chase • City of Hillview • City of Hunters Hollow • City of Lebanon Junction • City of Mount Washington • City of Shepherdsville | |

XIV. “Grandfathered” County Taxes

Tax Code “B”

Counties in which LGPT was levied prior to July 13, 1990 are considered to have a “grandfathered” status. In these areas, LGPT applies to both the incorporated (city) and unincorporated (county) areas.

If the insured risk is located within the incorporated city boundary, both the city and the county are owed their respective LGPT amounts, and no credit may be taken. If the risk is located only in the county, then only county LGPT is owed to the county and no credit is applicable.

LGPT collected within these cities must also be reported quarterly, and separate LGPT returns must be submitted to the respective counties using form LGT-141.

For July 1, 2020 through June 30, 2021 **Tax Code B** applies to these cities/counties:

| | | |
|---|--|--|
| <p>Anderson County</p> <ul style="list-style-type: none"> • City of Lawrenceburg | <p>Fulton County</p> <ul style="list-style-type: none"> • City of Hickman • City of Fulton | <p>Washington County</p> <ul style="list-style-type: none"> • City of Springfield |
|---|--|--|

XV. Quarterly Payment of LGPT

In accordance with KRS 91A.080(2) and 806 KAR 2:095, license fees or LGPT are due to the applicable local government thirty (30) days after the end of each calendar quarter. Each insurance company/surplus lines broker shall file separately using Form *LGT-141* or a substantially similar form. Please do not send copies of Form *LGT-141* to the Department, as they are not required to be filed with the Department. However, pursuant to 806 KAR 2:070 and KRS 304.10-160, these Forms must be retained for a minimum period of five years. For more specific information regarding the filing of quarterly tax returns, please refer to the instructions for filing on Form *LGT-141*.

Quarterly filings should be submitted to the taxing jurisdiction on Form *LGT-141* or a substantially similar form.

XVI. Penalties

Pursuant to KRS 91A.080(9), any license fee or LGPT not paid on or before the due date shall bear interest from the date due until paid. The Department of Revenue has set the interest rate on unpaid or underpaid LGPT for 2021 at five percent (5%). Any interest due is payable to the applicable local government. In addition, the local government may assess a ten percent (10%) penalty on a license fee or LGPT not paid within thirty (30) days after the due date.

If, after an audit requested by a local government, the Department finds that an insurance company/surplus lines broker has willfully engaged in a pattern of business conduct that fails to properly collect and remit the fee or LGPT imposed by a local government pursuant to the authority granted by KRS 91A.080(7), the Department may assess the responsible insurance company/surplus lines broker a penalty fee.

The penalty fee may be no greater than ten percent (10%) of the additional license fees or LGPT determined to be owed to the local government.

The penalty fee shall be paid to the local government owed the license fee or LGPT, less any administrative costs of the Department in enforcing KRS 91A.080(7). Any insurance company/surplus lines broker held responsible for a penalty fee may request a hearing with the Department. The hearing will be conducted pursuant to KRS 304.2-310 through 304.2-370, regarding the finding of a willful violation and the subsequent penalty fee.

In accordance with KRS 91A.0806(5), upon the presentation of proof that an insurance company has complied with the provisions of KRS 91A.0806(4) by performing due diligence in the location of risks and employing a verified risk location system or an alternative risk location method authorized by KRS 91A.0806(3), the insurance company:

- (a) Shall not be subject to penalties for failure to comply with KRS 91A.080 that may otherwise be imposed pursuant to KRS Chapter 304 or KRS 91A.080(7) for failure of a risk location system or program to properly locate risks;

- (b) Shall be held harmless from any liability including, but not limited to, liability for penalties, except for the LGPT that is due and interest on the LGPT that an insurance company has failed to timely remit, that would otherwise be due solely as a result of a failure to properly collect and remit the LGPT or fee levied pursuant to KRS 91A.080 because of failure of a risk location system or program to properly locate risks; and
- (c) Shall not be subject to penalties under KRS 91A.0804(3)(c).

XVII. Annual Reconciliation

In accordance with KRS 91A.080(8) and 806 KAR 2:095, each insurance company/surplus lines broker shall, on or before March 31 of each year, file the Local Government Premium Tax Annual Reconciliation Report to the applicable local government. Form *LGT-140* must be submitted by paper copy to the local government.

If an insurance company/surplus lines broker has not collected premiums for which LGPT applies, the insurance company/surplus lines broker shall electronically file an annual reconciliation with the Department indicating the reason that no LGPT was due.

A filing fee of \$5.00 per insurance company/surplus lines broker shall be submitted with the annual reconciliation filing in a format compatible with the electronic filing option chosen. The failure to file the annual reconciliation or to remit the \$5.00 filing fee constitutes a violation of 806 KAR 2:095 and could result in administrative action.

A. Mandatory Electronic Annual Reconciliation Filing Requirements

The Local Government Premium Tax Annual Reconciliation report shall be submitted to the Department in an **electronic** format. **The Department no longer accepts paper copy annual reconciliation reports. Electronic filing for both the on line LGT-140 form and FTP are now filed through the eServices Portal.**

B. Electronic Filing LGT-140 Form and FTP eServices Portal

1. Surplus lines brokers

Access to electronically submit the annual reconciliation pursuant to KRS 91A.080 is automatically included with existing eServices accounts for surplus lines users with “Individual Access” account types. If a new Kentucky Online Gateway (KOG) account is required, you may create one at the following link: <https://insurance.ky.gov/doieservices/UserRole.aspx>

2. Insurance Companies

Insurance companies will need to establish an eServices account for the company by choosing the “Insurer: Annual Reconciliation” account type, in eServices. If a new Kentucky Online Gateway (KOG) account is required, you may create one at the following link: <https://insurance.ky.gov/doieservices/UserRole.aspx>

3. eServices Filing Options

- a. **LGT-140 Form:** Select “Submit Data using Form”
- b. **FTP upload:** Select the “Upload Data from file option”. **A sample text filing is no longer required.** You will receive an error message if the delimited text is not uploaded correctly in eService. The delimited text samples may be found under [Annual Reconciliation Electronic Submission](#) at the following link: https://insurance.ky.gov/ppc/new_docs.aspx?cat=196

C. Local Governments eService Portal

Local governments that wish to view annual reconciliation data and other LGPT summary reports online may do so through the eServices portal. Official personnel from the local government must first establish an account in eServices by emailing a request to: DOI.MunicipalTaxes@ky.gov. Please include name, official title, and name of local government, phone number, and address of the local government.

D. Filing the Annual Reconciliation with Local Governments

The annual reconciliation shall be submitted electronically to the Department. However, insurance companies/surplus lines brokers shall continue to send **paper copies** of their annual reconciliation reports using Form *LGT-140* to local governments. Filing electronically with the Department does not constitute compliance with the filing requirements for local governments. For more specific information regarding the filing of the annual reconciliation report, please refer to the instructions for filing Form *LGT-140*.

XVIII. Questions

Questions should be directed to the Local Government Premium Tax Unit.

- Email: DOI.MunicipalTaxes@ky.gov;
- Phone: 502-564-1649;

XIX. 2020-2021 Forms & Documents

1. [2021-2022 Local Government Premium Tax Schedule](#)
2. [202-2022 Local Government Premium Tax Code Descriptions](#)
3. [2021-2022 Local Government Premium Tax Listing of Payees and Addresses](#)
4. [Form LGT-140, Annual Reconciliation](#)
5. [Form LGT-141, Quarterly Return & Instructions](#)
6. [Form LGT-142, City Credits Against County Taxes & Instructions](#)



Sharon P. Clark, Commissioner
Kentucky Department of Insurance



**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE
FRANKFORT, KENTUCKY**

Bulletin 2022-001

TO: All Authorized Insurance Companies and Surplus Lines Brokers Subject to Kentucky Local Government Premium Taxes

FROM: Sharon P. Clark, Commissioner

RE: 2022-2023 Kentucky Local Government Premium Tax Updates to Forms and Documents

DATE: 4-13-2022

The following Bulletin is to advise the reader of the current position of the Kentucky Department of Insurance (the “Department”) on the specified issue. The Bulletin is for informational purposes only and is not legally binding on either the Department or the reader.

Please review the information in this Bulletin carefully, as it contains information regarding changes to procedures for adjudicating Local Government Premium Tax (“LGPT”); updates and amendments to various LGPT forms and documents regarding rates imposed by local governments on collected premium; as well as the Tax Schedule, Tax Code Descriptions, and Listing of Payees and Addresses documents, in accordance with KRS 91A.080.

I. Local Government Premium Tax

KRS 91A.080 authorizes local governments to impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance. The license fees or taxes are based on “premium” as defined in KRS 304.14-030. A “local government” is defined by KRS 91A.0802(1) as a “city, county, charter county, consolidated local government, urban-county government, or unified local government.” Newly adopted or amended license fees or taxes become effective July 1 of each year on a prospective basis only. KRS 91A.080(1) requires the Commissioner of Insurance to notify each insurance company engaged in the business of insurance in the Commonwealth of the license fees or taxes no less than 85 days prior to the effective date. Accordingly, attached are the updated 2022-2023 Kentucky Local Government Premium Tax Schedule and the 2022-2023 Listing of Payees and Addresses.

Local governments that have adopted or amended their LGPT rates, payees, and addresses since the publication of Bulletin 2021-001 are indicated with an asterisk (*) on the *2022-2023 Local Government Premium Tax Schedule*. **Please also note changes in Tax Codes on the *Local Government Premium Tax Code Descriptions* document.**

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II. Determination of LGPT Liability

To assist insurance companies and surplus lines brokers in determining the location of an insurance risk, the Department has published the *LGPT Risk Location Chart*, located on the Department's website at <http://insurance.ky.gov/ppc/Documents/LGPTRiskLocationChart070212.pdf>. Pursuant to KRS 91A.080, taxes are imposed on insurance risks located within the corporate limits of the local government. An insurance risk may not necessarily be located at the mailing address of the insured. It is imperative that the insurance company/surplus lines broker identify the specific county and/or city, as well as physical address/actual risk location, in order to properly assess the LGPT.

ZIP codes shall not be used to determine LGPT.

Pursuant to KRS 91A.0806(6), to assist in identifying the location of an insurance risk, an insurance company/surplus lines broker shall use a Verified Risk Location system or program during the calendar year if the total policies issued and renewed by the insurance company/surplus lines broker in Kentucky in the preceding calendar year is more than two thousand (2,000). An insurance company/surplus lines broker may avoid penalties associated with the nonpayment of LGPT, provided the insurance company/surplus lines broker utilizes a Verified Risk Location system and performs due diligence in the location of insurance risks in accordance with KRS 91A.0806(4).

The insurance company/surplus lines broker must use the LGPT rate effective on the first day of the policy term. When an insurance company/surplus lines broker collects a premium as a result of a change in the policy during the policy term, the LGPT rate used shall be the rate in effect on the effective date of the policy change. The LGPT rates are to be charged per policy.

III. Disclosure of Local Government Premium Tax

In accordance with KRS 91A.0810 and 806 KAR 2:092, if the LGPT is included in the premium charged to the policyholder, the insurance company/surplus lines broker shall disclose the amount of the LGPT charged for the term and the name of the taxing jurisdiction to which the LGPT is due. For newly issued policies, the disclosure shall be included on the policy, the declarations page(s), or the initial billing instrument. For renewed or newly endorsed policies, the disclosure shall be included on the renewal certificate or the billing instrument for each period for which premium or additional premium is charged to the policyholder. Insurance companies/surplus lines brokers should refer to 806 KAR 2:092 for a complete list of instructions regarding the contents of the disclosure.

Other disclosure provisions include:

- (a) Disclosure of LGPT shall not be required if the insurance company does not charge the LGPT to the policyholder;
- (b) If LGPT is owed to multiple taxing jurisdictions, the disclosure shall list separately each taxing jurisdiction to which LGPT is owed;
- (c) If a credit of a city LGPT is applied to a county LGPT pursuant to KRS 91A.080(12), and the result is that no LGPT is owed to the county, the disclosure is not required to include the county in the itemization of taxing jurisdictions required in 806 KAR 2:092 Section 3; and
- (d) If a collection fee is included in the amount charged to the policyholder, the disclosure shall state that the amount includes the LGPT and a collection fee.

IV. Special Instructions Related to Surplus Lines Business

Pursuant to KRS 304.10-180(3), each surplus lines broker is required to pay the LGPT in accordance with KRS 91A.080.

As outlined in Section XV of this Bulletin, separate quarterly tax returns shall be submitted to the applicable local government by the surplus lines broker using Form *LGT-141*. Each return submitted to the local government shall include a listing of the insurance companies that supplied the coverage for which the premiums and LGPT are being reported. This information shall be listed in the designated section of Form *LGT-141*. Please note that surplus lines brokers are not required to submit a separate Form *LGT-141* to each local government for every insurance company through which insurance business was exported. However, it is important to note that the Department requires a breakdown of premium and LGPT by company and municipality when reporting the annual reconciliation.

In accordance with Section XVII of this Bulletin, annual reconciliation reports shall be filed with the Department, as well as with the applicable local government, by the surplus lines broker. Each return/Form *LGT-141* submitted to local governments shall include a listing of the insurance companies that supplied the coverage for which the premiums and LGPT are being reported. This information shall be listed in *SECTION III* of Form *LGT-140*. Please note that surplus lines brokers are not required to submit a separate Form *LGT-140* to each local government for every insurance company through which insurance business was exported.

V. Exemptions to LGPT Liability (see KRS 91A.080(10) through (14))

No license fee or LGPT shall apply to premiums collected on the following:

- Policies of group health insurance provided for state employees under KRS 18A.225;
- Health insurance policies issued to individuals;
- Workers' compensation insurance;
- Annuities;
- Federal flood insurance;

- Municipal bonds, leases or other debt instruments issued by or on behalf of the local government unless the bonds, leases, or other debt instruments are issued for profit or on behalf of for-profit or private organizations;
- Policies for high deductible health plans as defined in 26 U.S.C. sec. 223(c)(2), commonly referred to as health savings accounts;
- Policies of insurance or reinsurance by the Federal Crop Insurance Corporation as defined in 7 C.F.R. sec. 400.352(b)(2);
- Policies insuring or naming the state or one of its agencies or political subdivisions as an insured and surety bonds where the state or one of its agencies or political subdivisions is the obligee. For the purposes of LGPT payments, public school districts are considered agencies of the state, and policies insuring public school districts, as well as bonds with public school districts named as the obligee are exempt from LGPT;
- Premiums paid to an insurance company or surplus lines broker by nonprofit self-insurance groups whose membership consists of cities, counties, charter county governments, urban county governments, consolidated local governments, unified local governments, school districts, or any other political subdivisions of the Commonwealth; or
- Policies issued to public service companies that pay ad valorem taxes.

No license fee or LGPT shall apply to policies issued by:

- Entities issued a certificate of authority to do business in Kentucky only as a health maintenance organization (HMO) pursuant to KRS 304.38-060;
- Entities issued a certificate of authority to do business in Kentucky as a captive insurer pursuant to KRS 304.49-010;
- Domestic life insurance companies electing to be taxed under the provisions of KRS 136.320 — Capital and Surplus Tax; or
- Fraternal benefit societies pursuant to KRS 304.29-241.

Additional exemptions may apply pursuant to the ordinance enacted by the local government. Where applicable, please refer to the *Tax Code* for each local government identified on the attached *2022-2023 Local Government Premium Tax Schedule*, and as denoted in the *2022-2023 Tax Code Descriptions* document, for additional information.

Unless otherwise excluded by local government ordinance, a city is not exempt from the payment of county LGPT.

VI. Indivisible Premium

KRS 91A.080(8) requires a breakdown of all collections by category of insurance listed in the statute. Therefore, the appropriate premium must be allocated to the various lines of business before the applicable LGPT is calculated. For indivisible premiums, a weight of two-thirds of the premium must be given to the fire provision and one-third of the premium to the property and casualty provisions before determining the LGPT.

VII. LGPT on Life Insurance

The LGPT on life insurance shall be based on the first year's premiums and applied to the amount actually collected within the first year.

VIII. Minimum Tax

In some instances, a local government will enact an LGPT percentage, as well as a minimum tax amount. In these instances, the policyholder may have to pay either the LGPT amount calculated on the percentage rate, or the minimum tax amount established by the taxing jurisdiction on applicable lines of business; whichever is greater. The minimum tax is based upon the policy term and applicable only to new and renewal business on lines of business on which LGPT is imposed, unless otherwise stipulated in the local government's ordinance denoted in the *2022-2023 Tax Code Descriptions* document. Minimum tax is collected per policy and paid to the applicable taxing jurisdiction on a quarterly basis using Form *LGT-141*.

IX. Flat Fees

Flat fees shall be paid quarterly using Form *LGT-141* per insurance company and are not chargeable to the policyholder.

X. Collection Fees

Pursuant to KRS 91A.080(4) and 806 KAR 2:150, a reasonable collection fee may be charged and retained by the insurance company or its agent. The collection fee shall not be more than fifteen percent (15%) of the LGPT collected and remitted to the local government, or two percent (2%) of the taxable premium, whichever is less. This fee is in addition to the LGPT payable.

If a refund or credit of a LGPT is received by an insurance company/surplus lines broker that passed the LGPT on to the policyholder, and the amount refunded or credited is not owed to another local government, the insurance company/surplus lines broker is required to pay to the policyholder the full amount of the refund or credit, including any collection fee that had been retained. In accordance with 806 KAR 2:150, Section 2(5), a collection fee refunded shall be returned to the policyholder on a pro rata basis in the same manner that the refund of the LGPT is made.

XI. Appeals for LGPT Refunds, Credits, or Assessments

KRS 91A.0804 provides a sole and exclusive method for the filing of amended returns and requests or assessments by an insurance company/surplus lines broker, local government, or policyholder for nonpayment, underpayment, or overpayment of any license fee or LGPT imposed pursuant to KRS 91A.080. The procedures outlined in KRS 91A.0804, which were amended effective July 15, 2018, must be followed to properly request a refund or assessment related to nonpayment, underpayment or overpayment of LGPT.

All amended returns, requests for refunds or credits, and assessments shall be made within two years of the due date of the annual reconciliation (March 31) for the tax period during which the error was made. However, in the case of fraudulent failure to file a return or the filing of a fraudulent return, the underpayment may be assessed at any time.

Please note: If a quarterly report/return is amended for a previous tax year, the annual reconciliation must also be amended.

XII. Unearned Premiums

In accordance with KRS 91A.080(3), when premiums are returned to policyholders, as in the instance of a policy cancellation, the license fee or LGPT shall be returned by the insurance company/surplus lines broker to the policyholder pro rata on the unexpired amount of the premium. The license fee or LGPT shall be returned at the same LGPT rate at which it was collected and shall be taken as a credit by the insurance company/surplus lines broker on its next quarterly report to the local government. Returned premiums shall be reported on the annual reconciliation Form *LGT-140*. If the LGPT rate of the returned premium is different from the LGPT rate of the quarter in which it was returned, the returned premiums and the rate at which they were returned must be listed as separate line items on the amended Form *LGT-140*.

XIII. Credit for City LGPT Against County LGPT

Tax Code "A"

KRS 91A.080(12) and 806 KAR 2:095 requires insurance companies to credit city license fees or LGPT against the county license fees or LGPT imposed for the same license fees or LGPT imposed by the county. This credit only applies if the county ordinance was enacted on or after July 13, 1990. A credit of the city license fees or LGPT against the county license fees or LGPT must be taken if all of the following are true:

- The risk is located within the city limits;
- The county in which the city is located also imposes an LGPT;
- The county issued its Ordinance on or after July 13, 1990; and
- The county license fee or LGPT for the applicable line of business (life, health, casualty, etc.) is higher than the city license fee or LGPT.

If a credit is required, the insurance company must pay the license fee or LGPT due to the city and pay the balance due to the county.

For quarterly reporting purposes, city LGPT credits against county LGPT should be submitted to the county using Form *LGT-142*, along with Form *LGT-141* to both the county and the city.

For July 1, 2022, through June 30, 2023, *Tax Code A* applies to these cities/counties:

| | |
|--|--|
| Hopkins County <ul style="list-style-type: none"> • City of Dawson Springs (Life Only) • City of Saint Charles (Life Only) • City of White Plains (Life Only) | Meade County <ul style="list-style-type: none"> • City of Ekron (Except Health & Life) |
| Pulaski County <ul style="list-style-type: none"> • City of Science Hill (Except Health) | Menifee County <ul style="list-style-type: none"> • City of Frenchburg (Except Health & Life) |
| Trimble County <ul style="list-style-type: none"> • City of Milton (Except Health) | Henderson County <ul style="list-style-type: none"> • City of Robards |
| Floyd County <ul style="list-style-type: none"> • City of Wheelwright (Health Only) • City of Prestonsburg (Life Only) | Knott County <ul style="list-style-type: none"> • City of Hindman (Except Health & Life) |

XIV. “Grandfathered” County Taxes

Tax Code “B”

Counties in which LGPT was levied prior to July 13, 1990 are considered to have a “grandfathered” status. In these areas, LGPT applies to both the incorporated (city) and unincorporated (county) areas.

If the insured risk is located within the incorporated city boundary, both the city and the county are owed their respective LGPT amounts, and no credit may be taken. If the risk is located only in the county, then only county LGPT is owed to the county and no credit is applicable.

LGPT collected within these cities must also be reported quarterly, and separate LGPT returns must be submitted to the respective counties using form LGT-141.

For July 1, 2022 through June 30, 2023 *Tax Code B* applies to these cities/counties:

| | | |
|--|---|---|
| Anderson County <ul style="list-style-type: none"> • City of Lawrenceburg | Fulton County <ul style="list-style-type: none"> • City of Hickman • City of Fulton | Washington County <ul style="list-style-type: none"> • City of Springfield |
|--|---|---|

XV. Quarterly Payment of LGPT

In accordance with KRS 91A.080(2) and 806 KAR 2:095, license fees or LGPT are due to the applicable local government thirty (30) days after the end of each calendar quarter. Each insurance company/surplus lines broker shall file separately using Form *LGT-141* or a substantially similar form. Please do not send copies of Form *LGT-141* to the Department, as they are not required to be filed with the Department. However, pursuant to 806 KAR 2:070 and KRS 304.10-160, these Forms must be retained for a minimum period of five years. For more specific information regarding the filing of quarterly tax returns, please refer to the instructions for filing on Form *LGT-141*.

Quarterly filings should be submitted to the taxing jurisdiction on Form *LGT-141* or a substantially similar form.

XVI. Penalties

Pursuant to KRS 91A.080(9), any license fee or LGPT not paid on or before the due date shall bear interest from the date due until paid. The Department of Revenue has set the interest rate on unpaid or underpaid LGPT for 2022 at five percent (5%). Any interest due is payable to the applicable local government. In addition, the local government may assess a ten percent (10%) penalty on a license fee or LGPT not paid within thirty (30) days after the due date.

If, after an audit requested by a local government, the Department finds that an insurance company/surplus lines broker has willfully engaged in a pattern of business conduct that fails to properly collect and remit the fee or LGPT imposed by a local government pursuant to the authority granted by KRS 91A.080(7), the Department may assess the responsible insurance company/surplus lines broker a penalty fee.

The penalty fee may be no greater than ten percent (10%) of the additional license fees or LGPT determined to be owed to the local government.

The penalty fee shall be paid to the local government owed the license fee or LGPT, less any administrative costs of the Department in enforcing KRS 91A.080(7). Any insurance company/surplus lines broker held responsible for a penalty fee may request a hearing with the Department. The hearing will be conducted pursuant to KRS 304.2-310 through 304.2-370, regarding the finding of a willful violation and the subsequent penalty fee.

In accordance with KRS 91A.0806(5), upon the presentation of proof that an insurance company has complied with the provisions of KRS 91A.0806(4) by performing due diligence in the location of risks and employing a verified risk location system or an alternative risk location method authorized by KRS 91A.0806(3), the insurance company:

- (a) Shall not be subject to penalties for failure to comply with KRS 91A.080 that may otherwise be imposed pursuant to KRS Chapter 304 or KRS 91A.080(7) for failure of a risk location system or program to properly locate risks;

- (b) Shall be held harmless from any liability including, but not limited to, liability for penalties, except for the LGPT that is due and interest on the LGPT that an insurance company has failed to timely remit, that would otherwise be due solely as a result of a failure to properly collect and remit the LGPT or fee levied pursuant to KRS 91A.080 because of failure of a risk location system or program to properly locate risks; and
- (c) Shall not be subject to penalties under KRS 91A.0804(3)(c).

XVII. Annual Reconciliation

In accordance with KRS 91A.080(8) and 806 KAR 2:095, each insurance company/surplus lines broker shall, on or before March 31 of each year, file the Local Government Premium Tax Annual Reconciliation Report to the applicable local government. Form *LGT-140* must be submitted by paper copy to the local government.

If an insurance company/surplus lines broker has not collected premiums for which LGPT applies, the insurance company/surplus lines broker shall electronically file an annual reconciliation with the Department indicating the reason that no LGPT was due.

A filing fee of \$5.00 per insurance company/surplus lines broker shall be submitted with the annual reconciliation filing with the electronic filing. The failure to file the annual reconciliation or to remit the \$5.00 filing fee constitutes a violation of 806 KAR 2:095 and could result in administrative action including, but not limited to a civil penalty of up to \$10,000.00 for companies or \$1,000.00 for surplus lines brokers, and/or suspension or revocation of all licenses or certificates of authority held pursuant to KRS 304.3-200; KRS 304.10-130; and KRS 304.99-020.

A. Mandatory Electronic Annual Reconciliation Filing Requirements

The Local Government Premium Tax Annual Reconciliation report shall be submitted to the Department in an **electronic** format. **The Department no longer accepts paper copy annual reconciliation reports. Electronic filing for both the online LGT-140 form and FTP are now filed through the eService Portal.**

B. Electronic Filing LGT-140 Form and FTP eService Portal

1. Surplus lines brokers

Access to electronically submit the annual reconciliation pursuant to KRS 91A.080 is automatically included with existing eService accounts for surplus lines users with “Individual Access” account types. If a new Kentucky Online Gateway (KOG) account is required, you may create one at the following link: <https://insurance.ky.gov/doieservices/UserRole.aspx>

2. Insurance Companies

Insurance companies will need to establish an eService account for the company by choosing the “Insurer: Annual Reconciliation” account type, in eService. If a new Kentucky Online Gateway (KOG) account is required, you may create one at the following link: <https://insurance.ky.gov/doieservices/UserRole.aspx>

3. eService Filing Options

- a. **LGT-140 Form:** Select “Submit Data using Form”
- b. **FTP upload:** Select the “Upload Data from file option”. **A sample text filing is no longer required.** You will receive an error message if the delimited text is not uploaded correctly in eService. The delimited text samples may be found under Annual Reconciliation Electronic Submission at the following link:
https://insurance.ky.gov/ppc/new_docs.aspx?cat=196

C. Local Governments eService Portal

Local governments that wish to view annual reconciliation data and other LGPT summary reports online may do so through the eService portal. Official personnel from the local government must first establish an account in eService by emailing a request to: DOI.MunicipalTaxes@ky.gov. Please include name, official title, and name of local government, phone number, and address of the local government.

D. Filing the Annual Reconciliation with Local Governments

The annual reconciliation shall be submitted electronically to the Department. However, insurance companies/surplus lines brokers shall continue to send **paper copies** of their annual reconciliation reports using Form *LGT-140* to local governments. Filing electronically with the Department does not constitute compliance with the filing requirements for local governments. For more specific information regarding the filing of the annual reconciliation report, please refer to the instructions for filing Form *LGT-140*.

XVIII. Questions

Questions should be directed to the Local Government Premium Tax Unit.

- [Email: DOI.MunicipalTaxes@ky.gov](mailto:DOI.MunicipalTaxes@ky.gov)
- Phone: 502-564-1649

XIX. 2022-2023 Forms & Documents

1. [2022-2023 Local Government Premium Tax Schedule](#)
2. [2022-2023 Local Government Premium Tax Code Descriptions](#)
3. [2022-2023 Local Government Premium Tax Listing of Payees and Addresses](#)
4. [Form LGT-140, Annual Reconciliation](#)
5. [Form LGT-141, Quarterly Return & Instructions](#)
6. [Form LGT-142, City Credits Against County Taxes & Instructions](#)



Sharon P. Clark, Commissioner
Kentucky Department of Insurance

LOUISIANA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

La. Rev. Stat. Ann. § 22:843

Gross direct premiums, excluding premiums on annuity contracts, less returned premiums; without any deduction for dividends paid, and without consideration for reinsurance.

Tax Rate:

§ 22:842 Life, Accident, Health or Service Insurance

Premium tax of \$140 when premium received is \$7,000 or less. Add \$225 for each additional \$10,000 or fraction thereof. Health maintenance organizations are taxed at 5.5% effective in the 2016 tax year.

§ 22:831 Fire, Marine, Transportation, Casualty, Surety, Workers' Compensation and All Others

Premium tax of \$185 when premium received is \$6,000 or less. Add \$300 for each additional \$10,000 or fraction thereof. Paid on a quarterly basis.

§ 22:484

Risk retention group taxed same as a foreign admitted insurer.

Other Taxes and Assessments:

§ 22:345 Fire Department Tax

Additional 2% of gross annual receipts for any premium insuring property against loss or damage by fire.

§ 22:835 Fire Marshal Tax

Additional 1.25% of gross annual receipts for any premium insuring property against loss or damage by fire.

§ 22:837 Firemen's Training Program

Premiums received for insurance against loss or damage by fire shall be assessed an additional 0.25% premium tax for in-service fireman training.

Other Taxes and Assessments (cont.)

§ 22:1476 Rating Commission Assessment and Other Special Funds

May assess all insurers writing property and casualty insurance no more than 0.7% premium. Of this, 0.7% shall be credited to the police retirement system, the sheriff's pension and relief fund, and the firemen's retirement system.

§ 23:1291.1 Workers' Compensation Administration Fund

Assess for administrative expenses based on actual workers' compensation benefits paid.

§ 23:1377 Second Injury Fund

Assess compensation insurers amount set by board to a maximum of 125% of disbursements for prior year. Assessments will be suspended if the fund balance exceeds an amount specified.

§§ 47:221 to 47:227 Income Tax

Insurers are subject to income tax on net income as defined in statute. May offset premium tax paid against income tax.

§ 22:1071 Insurance Department Administrative Fund

Health insurers are subject to an assessment of no more than 0.05% of premium for the costs of administering health insurance laws. The actual assessment is based on cost of administration. Payable July 30 of each year.

§ 40:1428(2); La. Admin. Code (LAC) 37:XI.2303; 37:XI.2305 Insurance Fraud Assessment

All insurers may be assessed to cover the amount necessary to pay for the costs of investigation, enforcement, public education and public awareness, and prosecution of insurance fraud. The total fee assessed shall not exceed 0.0375% of direct premiums received in Louisiana. The fee shall be assessed on premiums received on fire, property and casualty lines and 50% of accident and health premiums. The fee shall not be assessed on life insurance, annuities, credit insurance or reinsurance.

§ 22:2058 Property and Casualty Guaranty Association

May assess member insurers no more than 1% net direct written premiums to handle expenses of an insolvency.

→ § 22:2088 Life and Health Guaranty Association

The total of all assessments due to insolvency may not exceed 2% of the average premiums received by the insurer in the three most recent calendar years on policies of the type covered by the account with the insolvency.

Other Taxes and Assessments (cont.)

§ 22:833 Local Tax

Municipalities or parishes may impose a license tax. Maximum on life or accident or health insurers is \$21,000. Compute on basis of \$10 on premiums up to \$2,000 and \$70 on each additional \$10,000 or fraction thereof. Maximum on property, workers' compensation, liability and all other types is \$9,000. It is computed at a rate of \$40 for the first \$2,000 of premium; if premium is between \$2,000 and \$4,000, the tax shall be \$60; if between \$4,000 and \$6,000, the tax shall be \$80; over \$6,000, add no more than \$70 for each additional \$10,000 or fraction thereof. The same premiums are not subject to tax by both the parish and municipality. Tax due June 1.

Exclusions and Deductions:

§ 22:304 Fraternal Benefit Societies

Fraternal are exempt from the payment of premium tax.

Crop Insurance

Louisiana will not collect premium tax on federally reinsured crop insurance.

§§ 22:439; 33:1359 Interlocal Risk Management

The purchase of excess insurance by an interlocal risk management agency is not subject to insurance premiums tax on surplus lines.

Credits:

§§ 22:832(E); 51:1924 Certified Capital Company

Insurers are allowed a credit against premium tax for investments in a certified capital company. The total credits allowed each year may not exceed \$5 million. Credits may not be utilized until the second anniversary of the investment date. The tax credit may not be applied to local taxes, the fire department or fire marshal tax, the fireman's training program or the rating commission assessment. For credits granted after Jan. 1, 2001, the tax credit shall not apply until two years after the investment and shall not exceed 12.5% of the amount in any one year. The credit may be carried forward until exhausted.

§§ 22:832; 51:1924 Louisiana Investments in Certified Capital Companies, Economic Development Corp.

If 1/6 of total admitted assets invested in Louisiana investments in certain economic development projects, reduce tax to 33.33% of amount otherwise payable. If 1/5 of total assets in Louisiana investments, reduce tax to 25% of amount otherwise payable. If 1/4 of total assets in Louisiana investments, reduce tax to 15% of amount otherwise payable. If 1/3 of total assets in Louisiana investments reduce tax to 5% of amount otherwise payable. Statute sets standards for Louisiana investments. The tax credit may not be applied to local taxes, the fire department or fire marshal tax, the fireman's training program or the rating commission assessment.

Credits (cont.)

→ § 22:2058 Property and Casualty Guaranty Association

May offset assessments at rate of 10% a year. Assessments may be offset against premium tax or rating commission assessment. The credit against the rating commission assessment varies according to the amount of Louisiana investments. No credit is allowed against the assessment for the public retirement system, the sheriff's pension and relief fund as the firefighters' retirement system (§ 22:1476).

§ 22:2092 Life and Health Guaranty Association

An insurer may offset against any premium or tax liability to the state 20% of the assessment for each of the five years following the year the assessment was paid. The offset varies depending on the amount of assets invested in Louisiana investments.

§ 22:1482; LAC 37:XIII.9503 to 37:XIII.9519 Military Personnel Premium Discount

Insurers providing the discount authorized to active military personnel shall be entitled to credit that shall be applied toward the premium taxes in an amount equal to the discount actually provided. Beginning on July 1, 2006, every motor vehicle insurer shall provide to active military personnel based in this state a discount of 25% of the premium on any automobile liability insurance policy purchased in this state to cover motor vehicles owned by such military personnel.

→ § 47:6016.1 Louisiana New Markets Jobs Act

A new markets credit against insurance premium taxes for the investment of private capital in a qualified community development entity located in Louisiana was created. The total of the new market credits taken cannot exceed the taxpayer's insurance premium tax liability for the tax year for which the credit is claimed; however, unused credits may be carried forward for up to 5 years. Investments eligible for new markets credits must be certified by the Louisiana Department of Revenue. An entity claiming the new markets credit is not required to pay any additional retaliatory tax levied as a result of claiming the credit.

Payment Due Dates:

§§ 22:792; 22:845

Return due Mar. 1. Quarterly payments due April 15, July 15, Oct. 15, shall each equal 25% prior year's tax, with balance payable with return.

Penalties:

§ 22:846

Failure to file or pay results in penalty of 5% per month, not to exceed 25% of the total tax, but in no event less than \$25. A delinquency of more than 30 days may result in revocation of the certificate of authority.

Penalties (cont.)

LAC 37:XIII.9517

An insurer’s failure or refusal to refund a tax credit overpayment shall constitute grounds for the commissioner to suspend the insurer’ certificate of authority, or to impose a fine not to exceed 10% of the tax credit overpayment or \$2,500, whichever is more, or both.

§ 22:833

Failure to make payment of local tax as required results in penalty of 5% per month to be added to the amount of tax due and payable to the municipal or parochial corporation along with the tax due. Penalty shall not be greater than 25% of the total amount of tax due.

§ 22:440

Failure to make a report required or to make a payment of the tax imposed by R.S. 22:439 results in penalty of 10% of the amount of the tax due and shall be paid to the commissioner with the tax. Commissioner may waive the payment of penalty.

Extensions:

No specific provision for extension.

Retaliatory Law:

§ 22:836

When any taxes, fines, penalties, licenses, deposits, etc. in the aggregate are imposed by another state on Louisiana insurers, the same taxes, fines, penalties, licenses, deposits, etc. will be imposed by Louisiana on such other states’ insurers or agents. Assessments by insurance guaranty funds are not considered in determining retaliatory taxation.

FEES

Insurers’ Fees:

§ 22:821

Certificate of authority:

| | |
|--|---------|
| Fee to accompany application for initial certificate of authority, insurer, and rating organization..... | \$2,500 |
| Filing a charter, other documents, and amendments thereto..... | 25 |

Risk retention group:

| | |
|-------------------|-------|
| Registration..... | 1,000 |
|-------------------|-------|

| | |
|---|--------------|
| Annual financial regulation fee..... | 1,000 |
|---|--------------|

Insurers' Fees (cont.)

§ 22:821

Form filings:

| | |
|---|-------|
| Review of each policy form filing, per product | \$100 |
| For each company filing to adopt a reference or item filing of advisory organization's form reference filing (not applicable to service purchasers, who must file the actual forms as shown above)..... | 20 |
| For each company filing of property and casualty insurance policy endorsements, amendments, or riders | 25 |

Self-insured contracts:

| | |
|--|-------|
| Review of each policy form filing, per product | 100 |
| Certification of a self-insured workers' compensation insurance program, an initial certification fee..... | 1,500 |
| Review of a self-insured workers' compensation insurance program, an annual review fee | 300 |

Advertising of Medicare:

| | |
|--|-----|
| Supplement insurance, per submission | 100 |
|--|-----|

Premium rates for Medicare:

| | |
|---|-----|
| Supplement insurance, per type of standard plan | 100 |
|---|-----|

Statement required in acquisition:

| | |
|--|-------|
| Of control or merger with a domestic insurer | 2,500 |
|--|-------|

Approval:

| | |
|--|-------|
| Of foreign or alien surplus lines insurers | 1,050 |
|--|-------|

Managing general agents:

| | |
|--|-----|
| Insurers initial notice of appointment | 300 |
| Insurers annual notice of appointment | 300 |

Producer appointments:

| | |
|--|-----|
| Initial company appointment | 30 |
| Renewal company appointment of individual (yearly by January 1) | 20 |
| Initial company appointment of business entity | 100 |
| Renewal company appointment of business entity (yearly by August 1)..... | 100 |
| First year appointment for one insurer is included in application fee, if appointment is submitted at the time of submission of the application. | |

Miscellaneous services:

| | |
|---|------|
| Certified copies of any documents, per page | 0.25 |
|---|------|

→ Producer Licensing Fees:

§ 22:821

Producer:

| | |
|--------------------------------|------|
| First time applicant | \$75 |
| Application to add lines | 50 |
| Renewal fee (every two years): | |
| One line | 50 |
| Two or more lines..... | 55 |

Surplus lines:

| | |
|------------------------------------|-----|
| First time applicant | 250 |
| Renewal fee (every two years)..... | 350 |

Managing general agent:

| | |
|---------------------------|-----|
| Initial registration..... | 300 |
| Annual registration..... | 300 |

Third party administrator:

| | |
|-------------------------------|-----|
| Licensing fee..... | 500 |
| Annual report filing fee..... | 300 |

Risk purchasing group:

| | |
|-------------------------------------|-----|
| Registration..... | 100 |
| Annual renewal of registration..... | 50 |

Claims adjusters:

| | |
|---|----|
| First time applicant | 55 |
| Renewal (every two years)..... | 50 |
| Catastrophe and emergency claims adjuster | 25 |

Portable electronics producer:

| | |
|----------------------------|-----|
| First time applicant | 200 |
| Renewal | 100 |

Insurance consultant:

| | |
|--|----|
| First time applicant (LH or P&C) | 75 |
| Renewal (every two years)..... | 50 |

Motor vehicle rental insurers:

| | |
|-------------------------------------|-----|
| Initial license application: | |
| Twenty-six or more vehicles..... | 500 |
| Twenty-five or fewer vehicles | 100 |
| Renewal: | |
| Twenty-six or more vehicles..... | 250 |
| Twenty-five or fewer vehicles | 50 |

Producer Licensing Fees (cont.)

§ 22:821 (cont.)

Specialty limited lines credit insurance:

| | |
|---|-------|
| Initial application if registering twenty or fewer employees | \$250 |
| Initial application if registering twenty-one or more employees | 1000 |
| Annual renewal fee if registering twenty or fewer employees | 125 |
| Annual renewal fee if registering twenty-one or more employees | 500 |

Appraisers:

| | |
|--|----|
| First time applicant | 55 |
| Renewal fee (every twelve months)..... | 50 |

Professional employer organization:

| | |
|--|-----|
| First time applicant | 500 |
| Renewal fee (every twelve months)..... | 300 |

Continuing education:

| | |
|---|-----|
| Provider application..... | 250 |
| Program or course application, per program or course..... | 25 |

Public adjusters:

| | |
|--------------------------------|----|
| First time applicant | 55 |
| Renewal (every two years)..... | 50 |

Fees are paid by the individual and are retaliatory.

→ **DEPOSITS**

Act 159 of the 2021 Regular session of the Louisiana Legislature removed the requirements for most statutory deposits. Foreign and alien insurers are not required to have a deposit in Louisiana and are not required to have a minimum deposit in the domiciliary state. However, the Commissioner may, as a condition of the issuance or maintenance of a certificate of authority, require an insurer to make and maintain a deposit based upon the type, volume or nature of the insurance business transacted. If, in the course of our review of the application, a determination is made that such a deposit is required, the applicant will be contacted with the specifics of such a requirement.

CONTACT PERSON

Tommy Coco: (225) 342-1012; tcoco@ldi.la.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

MAINE

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Me. Rev. Stat. Ann. tit. 36 §§ 2512 to 2515

Gross direct premiums including annuity considerations minus returned premiums, dividends paid to policyholders, and considerations for life insurance or annuities issued in connection with the funding of qualified retirement plans. Annuity considerations include amounts paid for the purchase of a contract that may result in an annuity, even if annuitization never occurs or does not occur until some time in the future and the funds are applied to another investment vehicle in the meantime. This tax does not apply to a mutual fire insurance company subject to tax under tit. 36 § 2517, or to a captive insurance company formed or licensed under tit. 24-A, Ch. 83, or under the laws of another state.

Tax Rate:

tit. 36 § 2513

2%

1% long-term care insurance

1% group disability income policies

2.55% for disability income policies written by large domestic insurers (assets of \$5 billion).

tit. 36 § 2517

2% tax on foreign mutual factory insurers in lieu of regular premium tax.

tit. 36 § 2523

2% workers' compensation premium tax in lieu of regular premium tax.

tit. 36 § 2513-A

Risk retention group taxed same as authorized insurers.

tit. 36 §§ 2531(2); 2513

3% tax on nonadmitted insurance

Other Taxes and Assessments:

tit. 25 § 2399 Fire Prevention and Fire Protection Fund

Pay assessment of 1.4% of gross direct premiums for fire risks in addition to premium tax. When the balance is sufficient to pay expenses for the following year, no assessment will be made.

tit. 24-A § 237 Insurance Bureau Assessment

Assess all insurers doing business in the state for expenses of bureau. Total assessment may not exceed 0.2% of total direct premiums. Due Aug. 10. No assessment was made in 2022.

tit. 39-A § 154 Workers' Compensation Board Administrative Fund

Insurers authorized to write workers' compensation insurance shall pay an assessment on gross direct written premiums. The assessment, which is partially paid by self-insureds, may not be designed to produce more than \$10,800,000 beginning in the 2010-2011 fiscal year, more than \$11,200,000 beginning in the 2011-2012 fiscal year or more than \$13,000,000 beginning in the 2017-2018 fiscal year. Assessments collected that exceed the applicable limit by a margin of more than 10% must be used to reduce the assessment that is paid by the insured employers.

tit. 39-A §§ 355 to 356 Employment Rehabilitation Fund

May assess insurers to provide funds on June 1 of each year. Assess an amount estimated to be sufficient to reimburse qualified insurers during the next 12 months. Up to two supplementary assessments may be made if necessary.

tit. 24-A § 4440 Property and Casualty Guaranty Association

May assess member insurers no more than 2% of net direct premiums on types of insurance covered by the account with the deficiency.

tit. 24-A § 4440-A Property and Casualty Guaranty Association Special Assessment

May assess insurers writing coverage for other accounts if the assessment in § 4440 is insufficient. With assessment in § 4440, shall not exceed the 2% limitation. This assessment shall not exceed 5% of the average member insurer's net income of the three prior years.

tit. 24-A § 4609 Life and Health Guaranty Association

The total of assessments upon a member insurer for each account may not in any one calendar year exceed 2% of the insurer's premiums in this state on the policies covered by the account.

tit. 24-A § 4621 Maine Life and Health Insurance Guaranty Association

Assessments paid to the association by a member insurer on or after Jan. 1, 2005, may be offset against its premium tax liability to the extent of 20% of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid. In the event a member insurer ceases doing business, all uncredited assessments may be credited against its premium tax liability for the year it ceases doing business.

Other Taxes and Assessments (cont.)

tit. 24-A § 605 Preemption

Payment of fire prevention tax and premium taxes shall be in lieu of any other taxes. No political subdivision may impose any tax, license or fee. This does not refer to taxes on real or tangible personal property.

Exclusions and Deductions:

tit. 24-A § 4140 Fraternal Benefit Societies

Fraternal are exempt from payment of premium tax.

tit. 24 § 2311

Nonprofit hospital or medical service corporations are exempt from payment of premium tax.

Credits:

tit. 36 § 2524 Child Care Credit

Employers, including insurers, are allowed a credit against their taxes for providing day care services. The credit is the lowest of \$5,000, 20% of the cost, or \$100 for each child for whom care was provided full-time (or each full-time equivalent). Unused credits may be carried forward for no more than 15 years or back for not more than three years. The credit allowed doubles in amount if the day care service provided by the taxpayer constitutes quality childcare services, as defined in Title 36, Section 5219-Q, Subsection 1 (quality childcare investment credit). Except for carryover tax credits, a tax credit is not allowed under this section for tax years beginning on or after Jan. 1, 2016.

tit. 36 § 2525-A Long-Term Care Benefits

Employers are allowed a credit against their taxes for providing long-term care benefits which is the lowest of \$5,000, 20% of the costs incurred, or \$100 for each employee covered by an employer-provided long-term care policy. Credits not used may be carried forward not more than 15 years. Except for carryover tax credits, a tax credit is not allowed under this section for tax years beginning on or after Jan. 1, 2016.

tit. 36 § 2529; tit. 30-A § 5250-I Pine Tree Development Zone

A taxpayer that is a qualified pine tree development zone business is allowed a credit in the amount of 100% of the tax that would otherwise be due under this chapter upon premiums that are attributable to a qualified business activity for each of the first five years beginning with the tax year in which the taxpayer commences its qualified business activity and for the five tax years following that time period, the credit is 50% of the tax. The credit may not be claimed for calendar years beginning on or after January 1, 2032.

Credits (cont.)

tit. 36 § 2533 New Markets Capital Investment Credit

A person that is subject to premium tax or would be subject to tax if it did business or collected premiums or assessments in Maine, that holds a qualified equity investment certified by the Finance Authority of Maine is allowed a credit in an amount determined in accordance with a statutory formula. Statutory provisions also govern limitations on the amount, refundability, carry-over and recapture of the credit.

Payment Due Dates:

tit. 36 § 2521-A

Return due Mar. 15. May pay quarterly estimates by April 30, June 25 and Oct. 31. The April and June quarterly estimates shall each equal 35% of the total tax paid the prior year, or at least 35% of the total tax to be paid for the current year, and each Oct. installment equals 15% of the total tax to be paid for the preceding calendar year or at least 15% of the total tax to be paid for the current calendar year. If annual tax liability does not exceed \$1,000, may file annual return with payment by Mar. 15 covering the prior year.

tit. 36 § 2513-A

Each risk retention group shall on or before Mar. 15, file with the state tax assessor and the superintendent of insurance, on forms prescribed by the assessor, a return covering the year ending on the preceding Dec. 31.

Penalties:

tit. 36 § 2518

Failure to pay tax shall result in an order to do no more business in the state. If a company continues to do business, it shall be guilty of a crime.

tit. 36 § 186

A person who fails to pay any tax, other than a tax imposed pursuant to tit. 36 Ch. 105, on or before the last date prescribed for payment is liable for interest on the tax, calculated from that date and compounded monthly. The rate of interest for any calendar year equals the highest prime rate as published in the Wall Street Journal on Sept. 1 of the preceding calendar year or, if Sept. 1 falls on a weekend or holiday, on the next succeeding business day, rounded up to the next whole percent plus three percentage points. The rate of interest for any calendar year beginning on or after Jan. 1, 2018, equals the prime rate as published in the Wall Street Journal on Sept. 1 of the preceding calendar year or, if Sept. 1 falls on a weekend or holiday, on the next succeeding business day, rounded up to the next whole percent plus one percentage point.

Penalties (cont.)

tit. 36 § 187-B

Failure to file a return will make insurer liable for one of the following penalties:

- A. If the return is filed before or within 60 days after the taxpayer receives from the assessor a formal demand that the return be filed, or if the return is not filed but the tax due is assessed by the assessor before the taxpayer receives from the assessor a formal demand that the return be filed, the penalty is \$25 or 10% of the tax due, whichever is greater.
- B. If the return is not filed within 60 days after the taxpayer receives from the assessor a formal demand that the return be filed, the penalty is \$25 or 25% of the tax due, whichever is greater. The period provided by this paragraph is extended for up to 90 days if the taxpayer requests an extension in writing prior to the expiration of the 60-day period.
- C. If the return is not filed and the assessor issues a jeopardy assessment, the penalty is 25% of the tax due.

Further, any person who fails to pay, on or before the due date, any amount shown as tax on any return is liable for a penalty of 1% of the unpaid tax for each month or fraction of a month during which the failure continues, to a maximum in the aggregate of 25% of the unpaid tax.

Additional penalties apply to cases of negligence, fraud, and substantial understatement.

Extensions:

tit. 36 § 187-B

As listed under “Penalties” above: If the return is not filed within 60 days after the taxpayer receives from the assessor a formal demand that the return be filed, the penalty is \$25 or 25% of the tax due, whichever is greater, but the period provided by this paragraph is extended for up to 90 days if the taxpayer requests an extension in writing prior to the expiration of the 60-day period.

Retaliatory Law:

tit. 24-A § 428; tit. 36 § 2519

When any other state or foreign country charges Maine insurers or representatives taxes, licenses and other fees, in the aggregate, or fines, penalties, deposits requirements, etc., that exceed the taxes, licenses and other fees, in the aggregate, or fines, penalties, deposit requirements, etc., that Maine imposes on similar insurers or representatives of another state or country, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements, or obligations, prohibitions or restrictions shall be imposed upon the insurer or representatives of the other state or country. Any tax, license or other fee imposed by any political subdivision shall be deemed imposed by the state. This section does not apply to personal income taxes, or to ad valorem taxes on real or personal property or to special purpose assessments imposed in connection with particular kinds of insurance except property insurance.

FEES

Insurers' Fees:

The fees may not exceed the listed amount. The superintendent of insurance has the authority to adopt a lower fee by regulation. *See* Ins. R. Ch. 545 for the current fee schedule.

tit. 24-A §§ 601; 4134; Ins. R. Ch. 545; 02-031 CMR Ch. 545, § 3

Insurer's certificate of authority:

| | |
|--|---------|
| For filing application for initial certificate of authority | \$1,000 |
| Issuance, and each annual continuation | 100 |
| Reinstatement..... | 350 |
| Charter documents, other than those filed with application for certificate of authority | 25 |

Annual statement:

| | |
|-----------------------------------|-----|
| Annual statement of insurer | 100 |
| Fraternal annual statement | 100 |

Rate and form filings:

| | |
|--|----|
| Rate filings, rating rules filings, insurance policy, forms, riders, endorsements and certificate filings | 20 |
|--|----|

Purchasing group registration:

| | |
|--------------------------------------|-----|
| Original license fee | 100 |
| Annual continuation of license | 100 |

Rating and advisory organizations:

| | |
|---------------------------------------|-----|
| Original license fee | 200 |
| Biennial continuation of license..... | 200 |

Pharmacy benefits managers:

| | |
|----------------------------|-----|
| Original issuance fee..... | 100 |
| Renewal fee..... | 100 |

Third party administrator license:

| | |
|--------------------------------------|-----|
| Original license fee | 100 |
| Annual continuation of license | 100 |

Miscellaneous services:

| | |
|---|----|
| Certified copy of insurer certificate of authority or other license issued..... | 10 |
| Copies of other documents on file in the bureau | 10 |

Producers' appointments:

| | |
|---|----|
| Appointment of resident producer, each insurer | 30 |
| Biennial renewal fee for appointment of resident producer, each insurer | 30 |
| Appointment of nonresident individual producer, each insurer..... | 45 |
| Biennial renewal for appointment of nonresident producer, each insurer | 30 |

Producer Licensing Fees:

The fees may not exceed the listed amount. The superintendent of insurance has the authority to adopt a lower fee by regulation. *See* Ins. R. Ch. 545 for the current fee schedule.

tit. 24-A §§ 601; 1413; 1416-A; 3043; 7007; 7506; Ins. R. Ch. 545; 02-031 CMR Ch. 545, § 3

Producer’s license:

| | |
|---|------|
| Issuance fee for original resident producer license, including limited license..... | \$10 |
| Temporary license issuance fee | 50 |
| Issuance fee for original nonresident producer license | 40 |

Consultant license:

| | |
|---|-----|
| Consultant application filing fee..... | 25 |
| Resident consultant, issuance fee for original license..... | 50 |
| Biennial continuation..... | 50 |
| Nonresident consultant, issuance fee for original license | 100 |
| Biennial continuation..... | 100 |

Adjuster license:

| | |
|--|----|
| Issuance fee for original resident adjuster license | 30 |
| Biennial continuation..... | 30 |
| Issuance fee for original nonresident adjuster license | 60 |
| Biennial continuation..... | 60 |
| Temporary license..... | 50 |

Application for license:

| | |
|--|----|
| Filing application, other than consultants | 15 |
| Consultants, filing application | 25 |

Equipment Rental:

| | |
|---|----|
| Resident – issuance fee | 30 |
| Non-Resident – issuance fee | 70 |
| Resident biennial continuation..... | 30 |
| Non-Resident – biennial continuation | 70 |
| Resident – appointment fee..... | 30 |
| Non-Resident – appointment fee | 70 |
| Resident – appointment biennial renewal | 30 |
| Non-Resident – appointment biennial renewal fee | 30 |

Limited Lines Self Storage Provider:

| | |
|-----------------------------------|-----|
| Resident – issuance fee | 100 |
| Non-Resident – issuance fee | 100 |
| Resident – continuation..... | 50 |
| Non-Resident – continuation | 50 |

Managing general agent:

| | |
|---|-----|
| Original registration fee | 100 |
| Annual continuation of registration | 100 |

Producer Licensing Fees (cont.)

tit. 24-A §§ 601; 1413; 1416-A; 3043; 7007;7506; Ins. R. Ch. 545; 02-031 CMR Ch. 545, § 3 (cont.)

Motor Vehicle Rental Company:

| | |
|---|------|
| Resident – issuance fee | \$30 |
| Non-Resident – issuance fee..... | 70 |
| Resident – biennial continuation..... | 30 |
| Non-Resident – biennial continuation | 70 |
| Resident – appointment fee..... | 30 |
| Non-Resident – appointment fee | 70 |
| Resident – appointment biennial renewal fee | 30 |
| Non-Resident – appointment biennial renewal fee | 30 |

Reinsurance intermediary:

| | |
|------------------------------------|----|
| Original license issuance fee..... | 50 |
| Annual continuation..... | 50 |

Organizations:

| | |
|--|-----|
| Issuance fee for resident producer agency (business entity) license..... | 30 |
| Biennial continuation..... | 30 |
| Issuance fee for nonresident producer agency (business entity) license..... | 70 |
| Biennial continuation..... | 70 |
| Issuance fee for original resident consultant (business entity) license | 50 |
| Biennial continuation fee | 50 |
| Issuance fee for original nonresident consultant (business entity) license | 100 |
| Biennial continuation fee | 100 |
| Issuance fee for resident adjuster (business entity) license..... | 30 |
| Biennial continuation fee | 30 |
| Issuance fee for nonresident adjuster (business entity) license..... | 60 |
| Biennial continuation fee | 60 |

Continuing education:

| | |
|---|-----|
| Filing fee each vendor..... | 100 |
| Biennial continuation of vendor..... | 100 |
| Filing fee for original approval of each course | 20 |

Portable electronic device insurance vendor:

| | |
|---|-------|
| Original license issuance fee (24-month term) | 1,000 |
| Annual renewal fee after initial term | 500 |

Producer Business Entity:

| | |
|--|---|
| Resident – appointment fee..... | 0 |
| Non-Resident – appointment fee | 0 |
| Resident – biennial renewal fee | 0 |
| Non-Resident – biennial renewal fee..... | 0 |

Service contract provider or administrator:

| | |
|------------------------------|-----|
| Annual registration fee..... | 200 |
|------------------------------|-----|

Producer Licensing Fees (cont.)

tit. 24-A §§ 601; 1413; 1416-A; 3043; 7007;7506; Ins. R. Ch. 545; 02-031 CMR Ch. 545, § 3 (cont.)

Supervising travel insurance producer:

| | |
|------------------------------------|-------|
| Original license issuance fee..... | \$500 |
| Annual renewal fee | 300 |

Surplus Lines Authority:

| | |
|---|-----|
| Issuance fee for surplus lines authority..... | 150 |
|---|-----|

DEPOSITS

tit. 24-A § 412

Maintain minimum deposit of \$100,000. This does not apply to domestic title insurers or domestic mutual fire insurers transacting business on the assessment plan. Foreign insurers may instead provide a certificate that they have at least \$100,000 on deposit in another jurisdiction.

→ **CONTACT PERSON**

Karma Lombard, NAIC Liaison: (207) 624-8540; karma.y.lombard@maine.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

MARYLAND

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Md. Code Ann., Ins. §§ 6-102 to 6-104

Gross direct premiums minus returned premiums, dividends paid or credited or applied to purchase insurance, and refunds due to retrospective rating or safe driver awards. Annuities are taxed at 0% rate.

Tax Rate:

Ins. § 6-103

2%, includes managed care organizations and for-profit HMOs.

Ins. § 25-103

Risk retention group taxed same as foreign admitted insurer.

Other Taxes and Assessments:

Ins. §§ 20-404; 20-405 Automobile Insurance Fund

Assess auto insurers for losses of fund. Insurers may recoup assessment from policyholders through surcharge or may consider in retaliatory tax computation.

Ins. § 6-203 Fraud Prevention Fee

The commissioner shall collect a fraud prevention fee of \$1,000 from each insurer, HMO nonprofit health service plan, and a fraternal benefit society that collected more than \$75,000 in premiums. Due June 30.

Ins. § 2-112.2 Health Care Regulatory Fund Assessment

The commissioner will collect an assessment from every insurer offering health insurance (other than long-term care or disability) a nonprofit health service plan, an HMO, or a dental plan organization. The assessment is based on a share of the total costs and the company will be billed.

Ins. §§ 2-501 to 2-507 Insurance Regulation Fund Assessment

The commissioner will collect an annual assessment fee from each insurer to pay the costs of the insurance administration. Assessment due on a date determined by the commissioner.

Other Taxes and Assessments (cont.)

Lab. & Empl. § 9-316 Workers' Compensation Commission

Insurers are assessed based on administrative needs of commission and insured payroll for previous year.

Lab. & Empl. § 9-806 Subsequent Injury Fund

An assessment of 5.5% of awards is required as a contribution to this fund.

Lab. & Empl. §§ 9-1006 to 9-1008 Uninsured Employers' Fund

May assess \$300 for failure to comply and up to 2% of awards and settlements. Can assess up to 10% of amount abated due to death or lack of a dependent.

Ins. § 9-306 Property and Casualty Guaranty Association

May assess member insurers no more than 2% of net direct written premium on kinds of insurance in account with deficiency.

Ins. § 9-409 Life and Health Guaranty Association

May assess members yearly for administrative expenses, plus an amount to cover claims of account with deficiency due to insolvency. Total assessments for the year may not exceed 2% of premiums on kinds of insurance in account.

Ins. § 6-112 Preemption

Except for property tax, a county or municipal corporation of the state may not impose a tax on persons subject to premium tax.

Ins. § 6-102.1; MIA Bulletin 18-16

For the calendar year 2019 only, an entity subject to the Maryland Health Care Access Act of 2018 will be subject to an assessment of 2.75% on all amounts used to calculate the entity's premium tax liability or the entity's premium tax exemption for products subject to the Act in calendar year 2018.

For calendar years 2020-2023, an entity subject to the Maryland Health Care Access Act of 2018 will be subject to an assessment of 1.0%.

Exclusions and Deductions:

The following entities are exempt from premium taxation:

Ins. § 6-101 Nonprofit hospital service corporations, fraternal benefit societies, and effective 10/1/2021 the Maryland Automobile Insurance Fund.

Health-Gen. § 19-727 Health maintenance organizations.

Exclusions and Deductions (cont.)

Crop and Flood Insurance

Maryland does not tax federally reinsured crop and flood insurance premiums.

Credits:

Ins. § 6-104 Insurance Regulation Fund Assessment

An insurer that has its home office in Maryland is entitled to a credit equal to the amount of the retaliatory taxes imposed on the insurer as a result of payment of the assessment fee for insurance department regulation. The aggregate credit in any one year may not exceed \$1 million. The procedure in case apportionment of the credit is necessary is detailed in Bulletin 23-2000.

Educ. § 21-309 Tax Credit for Businesses Employing Persons with Disabilities

An insurance company may claim a credit against the premium tax for wages paid to a qualified employment opportunity employee and for childcare or transportation costs for these employees paid by the insurer.

Hous. & Cmty. Dev. § 6-404 Housing and Community Development Article

Insurers may take a credit against the premium tax for 50% of approved contributions to the program. The credit for one insurer may not exceed the lesser of \$250,000 or the total premium tax. The credit may be carried forward for five tax years.

Econ. Dev. § 6-403 Project Tax Credit

An insurer may claim a credit against the premium tax for project costs and start up costs in an area that meets the requirements set out in the statute. An insurer that is located in a qualified distressed county and within a priority funding area may take a credit against premium tax for the costs if the amount of the qualified business entity's project costs are at least \$500,000.

Ins. § 6-120 Commuter Benefits

An insurer may claim a credit against the premium tax for the cost of providing commuter benefits to its employees as provided in Envir. § 2-901.

Econ. Dev. §§ 6-301 to 6-309 Job Creation Tax Credit

An insurer may take a credit against its premium tax for establishing or expanding a business facility that results in the creation of new jobs as specified, or (effective July 1, 2021) a small business shall hire at least one qualified veteran employee for a full-time position in the State. The credit may be carried forward up to five years.

Credits (cont.)

Econ. Dev. §§ 10-473 to 10-483; 10-4A-12 Maryland Technology Development Corporation

A purchaser may claim the premium tax credit on a premium tax return filed after Dec. 31, 2014. In each calendar year from 2015 through 2019, a purchaser may claim up to 20% of the premium tax credit allocated to that purchaser. The credit to be applied against insurance premium tax liability in any one year may not exceed the insurance premium tax liability of the purchaser for that taxable year.

Ins. § 6-115 Credit for Disabled Employee

Tax credits available for hiring employees with disabilities. A credit may also be taken by an employer who provides childcare for the child of a disabled employee or transportation for a qualified employee with a disability.

State Fin. & Procurement § 5A-303; Ins. § 6-105.2 Rehabilitation tax credit

Tax credit available for rehabilitation of certain historic certified heritage projects or property owned by the Department of Natural Resources or one of its units.

Payment Due Dates:

Ins. §§ 6-106 to 6-107; Md. Code Regs. (COMAR) 31.06.04.02

Return due Mar. 15. If tax due is expected to exceed \$1,000, file an estimated tax declaration April 15, with 25% of the estimated tax for the full taxable year. Quarterly estimates of 25% of tax also due June 15, Sept. 15 and Dec. 15. A reasonable estimate is 100% of the prior year's tax liability or 90% of the current year's tax liability.

Penalties:

Ins. § 6-108; Tax-Gen. § 13-604

Taxes not paid when they are due are subject to a penalty of 5% plus interest at rate of 10% per year or 3% above prime, whichever is greater; additional assessments of tax subject to 6% interest.

Extensions:

No specific provision for extension.

Retaliatory Law:

Ins. §§ 6-301; 6-303

When any taxes, licenses or other fees, in the aggregate, and any other fines, penalties, deposit requirements, etc., imposed on Maryland insurers or their agents exceed the taxes, licenses or other fees, in the aggregate, which Maryland would impose upon insurers or agents of such other state, retaliation will occur. Any tax, license or other fee imposed by any political subdivision shall be deemed imposed by the state. This section shall not apply to personal income taxes or to ad valorem taxes on real or personal property nor to special purpose assessments imposed by another state in connection with particular kinds of insurance other than property insurance, nor to assessments by insurance guaranty associations.

FEES

Insurers' Fees:

Ins. §§ 2-112; 4-206; Corps. & Ass'ns § 1-406; Gen. Provisions § 4-206

Certificates of authority:

| | |
|--|---------|
| Application for original certificate of authority | \$1,000 |
| Initial certificate of authority | 200 |
| Reinstatement of certificate of authority | 500 |
| Annual renewal of certificate of authority for all foreign insurers and for those domestic insurers with their home or executive office in Maryland..... | 500 |

Annual continuation or renewal of certificate of authority for domestic insurers with their home or executive office outside of Maryland except those insurers which had their home or executive office outside of Maryland prior to Jan. 1, 1929:

| Premiums | Fees |
|--|---------|
| With premiums written in the most recent calendar year not exceeding \$500,000 | \$2,500 |
| With premiums written in the most recent calendar year not exceeding \$1,000,000 | 5,000 |
| With premiums written in the most recent calendar year not exceeding \$2,000,000 | 7,000 |
| With premiums written in the most recent calendar year not exceeding \$5,000,000 | 9,000 |
| With premiums written in the most recent calendar year of more than \$5,000,000 | 11,000 |

Insurers' Fees (cont.)

Ins. §§ 2-112; 4-206; Corps. & Ass'ns § 1-406; Gen. Provisions § 4-206 (cont.)

Surplus lines insurer:

| | |
|-------------------------------|---------|
| Fee for initial approval..... | \$1,000 |
| Annual renewal fee | 1,000 |

Accredited or certified reinsurer:

| | |
|--|-------|
| Fee for initial eligibility | 1,000 |
| Annual fee for continued eligibility | 1,000 |

Articles of incorporation, etc.:

| | |
|--|----|
| Filing articles of incorporation of domestic or foreign insurer for approval, exclusive of fees required to be paid by the corporation to the department of assessments and taxation | 25 |
| Filing amendment of articles of incorporation..... | 10 |
| Filing bylaws or amendment to bylaws | 10 |
| Trade name: | |
| Original filing | 25 |
| Each amendment..... | 25 |

Form and rate filings:

| | |
|----------------------------|-----|
| Form and rate filings..... | 125 |
|----------------------------|-----|

Vending machine:

| | |
|---|----|
| License, for each machine, every second year..... | 50 |
|---|----|

Miscellaneous services:

| | |
|--------------------------|----|
| Service of process | 15 |
|--------------------------|----|

Producer Licensing Fees:

Ins. §§ 2-112; 8-506; 8-507; 8-510

Producer license:

| | |
|------------------------|----|
| Initial license..... | 54 |
| Biennial renewal | 54 |
| Application..... | 25 |

Managing general agent certificate of qualification:

| | |
|---------------------------|----|
| Initial certificate | 30 |
| Annual renewal | 30 |

Producer Licensing Fees (cont.)

Ins. §§ 2-112; 8-506; 8-507; 8-510 (cont.)

Surplus lines broker certificate of qualification:

| | |
|--|-------|
| Initial certificate within one year of renewal | \$100 |
| Initial certificate over one year from renewal | 100 |
| Biennial renewal | 200 |

Public adjuster license:

| | |
|--|----|
| Initial license within one year of renewal | 25 |
| Initial license over one year from renewal | 50 |
| Biennial renewal | 50 |

Adviser license:

| | |
|--|-----|
| Initial license within one year of renewal | 100 |
| Initial license over one year from renewal | 200 |
| Biennial renewal | 200 |

Temporary Insurance Producer:

| | |
|---------------------------------|----|
| Licenses and appointments | 27 |
|---------------------------------|----|

Reinsurance intermediaries license:

| | |
|--|----|
| Initial license | 54 |
| Biennial renewal | 54 |
| Application | 25 |
| To add or delete name from license | 10 |

Ins. § 6-203 Fraud Prevention Fee

Each agent except a fraternal agent shall be assessed a \$15 fee for fraud prevention, due June 30, every other year.

DEPOSITS

Ins. § 4-106

Trust deposit of \$100,000 required. Foreign insurers may instead provide certificate that a like amount is deposited in another state.

→ **CONTACT PERSON**

Erin Nickles: (410) 468-2451; erin.nickles@maryland.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

COMMONWEALTH OF MASSACHUSETTS

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

→ Mass. Gen. Laws Ch. 63 § 20 Life Insurance Companies

Domestic and Foreign Life insurance companies shall pay an excise of 2% upon all new and renewal premiums for policies allocable to Massachusetts. Premiums subject to the excise includes (i) amounts received without deductions for reinsurance paid to other companies, and includes (ii) dividends applied to purchase additional insurance or to shorten the premium paying period. It does not include dividends paid or credited to policyholders, premiums returned to policyholders (not including cash surrenders) and dividends applied to purchase additional insurance. Additionally, foreign companies must also pay the difference in tax a Massachusetts insurance company would have paid to the foreign companies home state and the tax due on Massachusetts policies (*see* Retaliatory Tax, below, for more information).

→ Ch. 63 §§ 22 and 23 Insurance Companies other than life, marine, or fire and marine companies

Domestic and Foreign Insurance companies other than life, marine, or fire and marine companies, shall pay an excise of 2.28% on gross premiums and assessments received as consideration for insurance of property and interests in the Commonwealth, exclusive of reinsurance and premiums received for the insurance of property or interests in other states or countries where a tax is actually paid by such company. Additionally, foreign companies must also pay the difference in tax a Massachusetts insurance company would have paid to the foreign companies' home state and the tax due on Massachusetts policies (*see* Retaliatory Tax, below, for more information).

Ch. 176I § 11 Insured Preferred Provider Health Plans

Assessment equal to 2.28% of gross premium received for covered persons (i.e., insured individuals) residing in Commonwealth, excluding Medicare supplement premiums, returned premiums and dividends credited to policyholders.

Tax Rate:

→ Ch. 63 §§ 20 and 21

2% for domestic and foreign life insurance companies. (Note: Foreign companies' premiums received may be taxed at a higher rate, see retaliatory tax, below.)

→ Ch. 63 §§ 22 and 23

2.28% for domestic and foreign companies other than life insurance companies. (Note: Foreign companies' premiums received may be taxed at a higher rate, see retaliatory tax, below.)

Tax Rate (cont.)

Ch. 176I § 11

2.28% for preferred provider health plans, paid to the Department of Revenue.

Ch. 176L § 3

Risk retention group licensed in another state which seeks to do business as risk retention group in the Commonwealth shall be taxed same as a foreign admitted insurer.

Other Taxes and Assessments:

Ch. 63 § 29A Marine or Fire and Marine Insurance

Pay 5.7% of taxable underwriting profit from insurance written within the Commonwealth.

Ch. 175 § 195 Department of Fire Services Administration

- (a) Sums for the estimated expenses for the purposes specified in subsection (b) shall be paid to the Commonwealth by insurance companies writing fire, homeowners' multiple peril or commercial multiple peril policies on property situated in the Commonwealth within 30 days after notice from the commissioner of such estimated expenses. The commissioner shall apportion such estimated charges among all such companies and shall assess them for the same on a fair and reasonable basis. The commissioner shall subsequently apportion actual costs among all such companies and shall make assessment adjustments for the same for any variation between estimated and actual costs on a fair and reasonable basis. Such estimated and actual costs shall include an amount equal to the cost of fringe benefits as established by the secretary of administration and finance under Ch. 29 § 6B.
- (b) The costs to be paid under subsection (a) shall be for the following purposes: (1) the operation of state fire training facilities and curriculum for firefighting personnel; (2) implementing Ch. 148 §§ 26G1/2 and 34A to 34D, inclusive, and Ch. 304 of the Acts of 2004; (3) student awareness of fire education programs; (4) the firefighting equipment grant program; and (5) capital improvements to state fire service facilities, including reimbursing the General Fund for debt service on bonds issued to pay for these capital improvements.

Ch. 63 § 22A Gross Investment Tax

Domestic insurers except life insurance companies, shall pay, in addition to the premium tax, a tax equal to 1% on total gross investment income.

Ch. 26 § 7A Health Care Access Bureau Assessment

Assess all licensed health carriers to pay for the actual expenses of the bureau at a rate sufficient to produce up to the \$600,000 annual appropriation, as well as an amount which shall be equal to the total amount of funds estimated by the secretary for administration and finance to be expended for indirect and fringe benefit costs attributable to the personnel costs of the bureau.

If costs and expenses of the bureau in a fiscal year do not total \$600,000, any amount unexpended shall be credited against the assessment to be made in the following fiscal year.

Other Taxes and Assessments (cont.)

Ch. 26 § 8C Insurance Division Operating Fund

Commissioner of insurance may assess against all licensed insurers in the Commonwealth at a rate sufficient to produce revenue to reimburse the Commonwealth for funds to operate the Division, less certain other funds. Three fourths assessed in proportion to net premiums of all carriers and one-fourth against domestics in proportion to their net premiums written and annuity considerations based on the annual reports.

Ch. 26 § 8E State Rating Bureau Assessment

The commissioner of insurance shall assess liability insurers for the actual costs of administration and operation of the bureau.

Ch. 26 § 8E State Rating Bureau Assessment—Workers' Compensation

The commissioner of insurance is authorized to assess any corporation, unincorporated association, partnership, or individual licensed as a workers' compensation organization and any company authorized to write workers' compensation that is not a member of any such rating organization for the bureau's workers' compensation-related expenses.

Ch. 26 § 8E State Rating Bureau Assessment—Medical Malpractice

The commissioner of insurance is authorized to assess medical malpractice insurers licensed, admitted, authorized, or approved for the bureau's medical malpractice-related expenses.

Ch. 26 § 8F; Ch.12 § 11F Attorney General Insurance Proceeding Assessment

The commissioner of insurance is authorized to require each insurance company issuing private passenger motor vehicle liability policies in the Commonwealth to collect an assessment for the attorney general for the purpose of the attorney general's intervention in proceedings on behalf of consumers in connection with matters involving rates, charges, premiums, and prices charged by insurance companies. The assessment shall be such amount to produce \$1,151,542 plus the total amount of funds estimated by the secretary of administration and finance to be expended from the general fund for indirect and fringe benefit costs attributable to personnel costs for which this assessment is collected.

Ch. 26 § 8H Assessment for Division Actuaries

The division of insurance may assess all domestic insurers and all nonprofit hospital, medical and dental service corporations to defray the costs of insurance division actuary and an assistant actuary. The total assessment may not exceed \$75,000 per year for insurers and \$75,000 per year for nonprofits.

Other Taxes and Assessments (cont.)

Ch. 26 § 8J Maintenance Assessment against Life Insurers

The commissioner of insurance shall make a special division of insurance maintenance assessment in each fiscal year against each life insurer licensed to do business in the Commonwealth. The assessment shall be made proportionately against each life insurer based on the percentage of so much of the premium as is reported on line twenty-two, columns three, four, and five of Schedule T of the life insurer's most recent annual statement as compared to the total premium reported in line twenty-two, columns three, four and five of Schedule T of the most recent annual statements. The assessment shall be such amount to produce \$1,014,000.

Ch. 279 of the Acts of 2002,
Section 4—Auto Fraud

The commissioner of insurance shall assess annually \$285,882 on the members of the automobile insurer's bureau and the companies authorized to write private or commercial automobile insurance that are not members of the rating bureau apportioned on the basis of the direct written premium of each company in the most recent calendar year, for the use by the attorney general for the purpose of the investigation and prosecution of automobile insurance fraud. This amount may vary from year to year, however, based upon the applicable appropriations made in the state's budget for a particular year.

Ch. 26 § 8I Medical Malpractice Analysis Bureau

The commissioner of insurance is authorized to assess medical malpractice insurers licensed, admitted, authorized or approved by the commissioner to pay for the expenses of the bureau. Shall be at a rate to produce \$500,000 annually plus an amount to be estimated by the secretary of administration and finance to be expended for indirect and fringe benefit costs attributable to the personnel costs of the bureau.

Ch. 175 § 14A National Association of Insurance Commissioners Committee on Valuation of Securities Assessment

The division of insurance may assess all domestic life insurers based on investments in securities and pay funds over to NAIC.

Ch. 152 § 65 Workers' Compensation Special Fund

Each insurer writing workers' compensation insurance may be assessed for the special fund. Insurers are required to bill and collect assessments from their insured employers and transmit the assessments. The basis for the assessment is prescribed in the statute and calculated by the Department of Industrial Accidents from information reported by insurers.

Other Taxes and Assessments (cont.)

Ch. 26 § 8E Workers' Compensation Fraud Assessment

The commissioner of insurance may also make an annual assessment at a rate sufficient to produce at least \$500,000 to be paid by members of the Workers' Compensation Rating and Inspection Bureau and the companies authorized to write workers' compensation insurance that are not members of WCRIB, based on the direct written premium of each insurance company in the most recent calendar year. This amount may be increased annually by a rate not to exceed the most recent annual consumer price index calculated by the bureau of Labor Statistics of the United States Department of Labor for the northeast region for all urban consumers.

Ch. 175D § 5 Property and Casualty Guaranty Association

May assess member insurers an amount not to exceed 2% of net direct written premium for the prior calendar year to pay obligations of guaranty fund.

Ch. 175 § 146B(9)(E)(1) Life and Health Guaranty Association

The association maintains three accounts—health insurance, life insurance, and annuity accounts.

The total of all assessments upon a member insurer for each account shall not in any one calendar year exceed 2% of such insurer's average premiums received in the Commonwealth on the policies covered by the account during the three calendar years preceding the year in which the insurer became an impair or insolvent insurer. If the maximum assessment, together with the other assets of the association in any account, does not provide in any one year in any account an amount sufficient to carry out the responsibilities of the association, the necessary additional funds shall be assessed as soon thereafter as permitted by this section.

Exclusions and Deductions:

Ch. 176 § 49 Fraternal Benefit Societies

Fraternal are exempt from premium tax.

Credits:

Ch. 63 § 29C & 29D; 830 C.M.R. 63.29.1; Section 3 of St. 1998, Ch. 259

Economic Development Initiatives: The Life Initiative and the Property and Casualty Initiative

Two economic development initiatives were established in 1998. One funded by life insurance companies (G.L. c. 63 § 29C) and the other funded by property and casualty insurance companies (G.L. c. 63 § 29D). No gross investment or net investment income tax will be imposed for tax years in which a company contributes its full proportionate share (defined below) to either initiative.

A newly formed life or property and casualty company generally must be subject to the gross or net investment income tax, respectively, for at least two years before becoming eligible to participate in the life or property & casualty initiative. Only in the second year can such insurer calculate its full proportionate share.

The Life Initiative

A life insurance company subject to the life insurance premiums excise will be allowed an annual credit against such excise if the company invests in the Massachusetts Life Insurance Community Investment Initiative (the “life initiative”) an amount equal to 1.5% of the company’s total capital contribution to the life initiative in excess of their full “proportionate share”, which is equal to \$20 million multiplied by the quotient of (i) the company’s total net investment income tax due and payable and (ii) the total net investment income tax due and payable for all life insurance companies doing business in Massachusetts for the tax year ending December 31, 1997. For taxable years beginning on or after the fifth year in which a life insurance company contributes to the life initiative, the amount of the credit available to a life insurance company shall be equal to 1.5% of the company’s total capital contribution to the life initiative. The credit is effective for tax years beginning after investments in the life initiative reaches \$100,000,000 or the tax year 2004, whichever is later.

The P&C Initiative

A property and casualty insurance company subject to the property and casualty insurance premiums excise will be allowed an annual credit against such excise if the company invests in the P&C Initiative an amount equal to 1.5% of the company’s total capital contribution to the P&C Initiative in excess of its full proportionate share, which is equal to \$20 million multiplied by the quotient of (i) the company’s total gross investment tax for the tax year ending December 31, 1997 and (ii) the total gross investment tax due and payable for all P&C insurance companies doing business in Massachusetts for the tax year ending December 31, 1997. For a company that was not subject to said section 22A in the tax year ending on or before December 31, 1997, the numerator shall be the P&C insurance company’s total net investment income tax due and payable under said section 22A for the taxable year two years prior to the current taxable year. For taxable years beginning on or after the fifth year in which a property and casualty insurance company contributes to the P&C Initiative, the amount of the credit available to a property and casualty insurance company shall be equal to 1.5% of the company’s total capital contribution to the P&C Initiative. The credit is effective for tax years beginning after investments in the P&C Initiative reaches \$100 million or the tax year 2004, whichever is later.

(cont.)

Credits (cont.)

Ch. 63 § 29C & 29D; 830 C.M.R. 63.29.1; Section 3 of St. 1998, Ch. 259 (cont.)

Economic Development Initiatives; The Life Initiative and the Property and Casualty Initiative

The P&C Initiative (cont.)

For any tax year after the amount in the property and casualty insurance initiative exceeds \$100 million, property and casualty insurers that contribute more than a threshold amount to the initiative will be eligible for a credit against the premium excise. Property and casualty insurers may reduce their tax rate on gross investment income from the 1% tax rate if they contribute the required amount to the initiative over a five-year period. The rate is 0.8% for the first year on or after Jan. 1, 1999, in which it makes the required contribution or 0.6% for the second year it makes the required contribution or 0.4% for the third year it makes the required contribution or 0.2% in the fourth year it makes the required contribution. No gross investment income tax shall be due for the tax years beginning on or after the fifth year in which said company contributes its full proportionate share. A company that does not make the required contribution in any year will continue to be taxed at the rate for the last year in which it did make the required contribution.

Ch. 175 § 146B Life and Health Guaranty Association

Credit for assessments for insolvency may be applied as an offset to the premium tax liability to the extent of 10% of the assessment for each of the five years following the year in which the assessment was paid. Total credits for all insurers may not exceed \$3 million per year.

Payment Due Dates:

→ Ch. 62C § 12

Life insurance companies must file returns annually by April 15, or the 15th day of the 4th month after the close of the company's fiscal year;

Marine, or fire and marine, insurance companies must file returns annually by May 15; and,

Insurance companies, other than life, marine, or fire and marine must file returns annually by April 15 or the 15th day of the 4th month after the close of the company's fiscal year;

Ch. 62C § 32

Interest charges are added to late payments determined by adding 4% to the quarterly federal short-term rate, compounded daily.

Payment Due Dates (cont.)

Ch. 63B §§ 2 to 4B

If a company can reasonably expect its tax to exceed \$1,000 in a year, quarterly estimated tax payments are required to be paid. Estimates are due on the 15th day of the third month following the close of the taxable year, 40%; 15th day of the sixth month following the close of the taxable year, 25%; 15th day of the ninth month following the close of the taxable year, 25%; 15th day of the 12th month following the close of the taxable year, 10%. The amount required to be paid is based on the lesser of: 90% of the current year's tax liability; 90% of the tax shown for the current year determined by using the prior year's income apportionment percentage; or 100% of the prior years' tax liability as shown on the face of the return. Certain large corporations may only base the first quarter estimate on the prior year's liability. A corporation that has less than 10 employees in its first full taxable year shall follow a different schedule of installments. The first installment due on the 15th day of the third month of the taxable year, 30%; second - 15th day of the sixth month, 25%; third - 15th day of the ninth month, 25%; and fourth - 15th day of the 12th month, 20%.

Penalties:

Ch. 63B § 3; 62C § 32

Underpayments may have current interest charges added to amount due as a penalty. Also applies to quarterly payments. The rate is determined by adding 4% to the quarterly federal short-term rate, compounded daily.

Ch. 62C § 33

A late return is subject to a late pay penalty of 1% per month not to exceed 25%, and a late file penalty of 1% per month of the amount required to be shown as a tax on such return, not to exceed 25%.

Ch. 63B § 9

An officer, director or employee of the corporation who willfully fails to pay any installment of estimated tax due is liable for the amount of tax and a penalty of not less than \$500 or more than \$5,000.

Extensions:

Ch. 62C § 19

Insurance Companies receive an automatic six-month extension of time to file their tax returns as long they have paid the greater of (1) 50% of the total amount of tax ultimately due or (2) the minimum corporate excise by the original due date for filing the return. An extension is an extension of time to file not to pay, any amount due will incur interest even if a valid extension is on file.

Retaliatory Law:

Ch. 175 § 159

If under the laws of any other state, fines, taxes, penalties, licenses, fees, deposits, etc., imposed on Massachusetts insurers or their agents are in excess of the amounts Massachusetts charges similar insurers or agents, retaliation will occur.

Ch. 63 § 21

Every foreign life insurer shall pay a sum equal to excess of the amount of tax which would be imposed in the same year by the laws of the state or country under which the company is organized, upon a life insurance company incorporated in Massachusetts, or upon its agents, if doing business to the same extent in that state or country.

Ch. 63 § 24A

Insurers organized in a state which does not impose a retaliatory tax on Massachusetts insurers are not subject to retaliation.

Ch. 63 § 23

Every foreign company, except life insurance, marine, or fire and marine insurance companies shall pay tax on gross premiums, exclusive of reinsurance, at the rate of 2.28% or the rate that would be imposed by the laws of the state or country under which company is organized upon a like insurer incorporated in Massachusetts, or upon its agents, if doing business to same extent in same state or country, whichever is higher.

FEES

The Division of Insurance does not bill retaliation fees at this time.

→ Insurers' Fees:

Ch. 175 § 14; Ch. 176G § 14; Ch. 176O § 3; 175 § 149N; 211 Mass. Code Regs. § 43.04;
 801 Mass. Code Regs. § 4.02
 [Fees in brackets were in effect prior to March 2022.]

Admission application fees:

Life, accident & health, life settlement provider, P&C, or title:

| | |
|---|---------|
| Examination prior to licensing..... | \$1,000 |
| Charter | 125 |
| Annual statement | 150 |
| Accredited and certified reinsurers | 1,000 |
| Service contract provider | 600 |
| Health maintenance organization..... | 1,000 |

Amendment application fee:

| | |
|--|-------|
| Life, accident & health, P&C, or title | 1,065 |
|--|-------|

If a company is issued a license, there are additional fees:

| | |
|--|----|
| Special authority (if applicable)..... | 29 |
| Charter amendment..... | 65 |

Certifications:

| | |
|-------------------------------------|----|
| Annual statements..... | 20 |
| Authority: domestic companies | 20 |
| Reports of examination..... | 20 |

Licenses fees including renewals:

| | |
|---|------------------------------|
| Life, accident & health, P&C or title company (foreign) | |
| without designation 51 or 54..... | 250 |
| with designation 51 or 54..... | 279 |
| Fraternal benefit society..... | 25 |
| Agent (fraternal)..... | 5/20 Alternate Years 6 |
| HMO bi-annual | 1,000 |
| Service contract providers (triennially)..... | 600 |
| Life settlement providers | 250 |
| Rating bureaus (triennially) | 30 |
| Special authority (stock-mutual)..... | 29 |
| Duplicate or replacement | 25 |

Insurers' Fees (cont.)

Ch. 175 § 14; Ch. 176G § 14; Ch. 176O § 3; 175 § 149N; 211 Mass. Code Regs. § 43.04;
801 Mass. Code Regs. § 4.02 (cont.)

[Fees in brackets were in effect prior to March 2022.]

Annual statement filing fees:

| | |
|--|-------|
| Accredited reinsurer..... | \$150 |
| Approved reinsurer | 150 |
| Eligible alien unauthorized insurer | 150 |
| Life settlement provider | 150 |
| Approved surplus lines | 150 |
| Foreign companies—individual (life, accident & health, P&C and title)..... | 150 |
| Fraternal..... | 6 |

Domestic company examination:

| | |
|--|--|
| Direct cost of examiners (per day)..... | 300 |
| Travel expenses (per mile)..... | [0.45](Eff. 3/22 \$0.585; Eff. 7/17/22 \$0.62) |
| Related travel and lodging expenses..... | actual costs incurred |

Managed care bi-annual accreditation fee:

| | |
|--|-------|
| Managed care bi-annual accreditation fee | 1,000 |
|--|-------|

Policy/rate filings:

| | |
|---|-----|
| Policy form filing (policy, endorsement, application or riders per company or rating bureau)..... | 75 |
| Rate filing (rate and/or rule filing per company or rating bureau)..... | 150 |

Appointments:

| | |
|--------------------------|----|
| Individual producer..... | 75 |
| Agency per member..... | 75 |

Annual valuation fee for domestic life insurance companies:

| | |
|--|-------|
| Life policies (per \$100,000)..... | 0.025 |
| Annuity contracts (per contract) | 0.025 |

Initial HMO application fee:

| | |
|-----------------------------------|-------|
| Initial HMO application fee | 1,000 |
|-----------------------------------|-------|

Preferred provider plan:

| | |
|----------------------|-----|
| Application fee..... | 100 |
|----------------------|-----|

Miscellaneous services:

| | |
|--------------------------|---|
| Service of process | 6 |
|--------------------------|---|

→ Producer Licensing Fees

Ch. 26 § 8G; Ch. 175 § 14; 801 Mass. Code Regs. § 4.02; Ch. 175 §§ 162G to 162X; Ch. 175 § 162Y;
 Ch. 175 § 177O; Ch. 129 of the Acts of 1998; 212 CMR 2.00; Ch. 175 §§ 177A, 177B;
 Ch. 175 § 212 to 223E: Division website

Producer:

| | |
|---|-------|
| Individual producer license/renewal (triennially)..... | \$225 |
| Individual producer with property and casualty lines of authority and individual producers with personal lines of authority there is an additional lead paint surcharge..... | 300 |
| Business entity producer license/renewal (per member) | 75 |
| Letters of certification..... | 20 |
| Clearance letters..... | 20 |
| Duplicate or replacement license | 25 |
| Exam (provided by vendor, Prometric)..... | 39 |

Adviser:

| | |
|---|-------|
| Exam (provided by vendor, Prometric)..... | 10 |
| License, triennial fee..... | 200 |
| Business entity adviser annual license/renewal (per member) | 66.66 |
| Duplicate or replacement | 25 |

Life settlement broker:

| | |
|---|-----|
| Individual life settlement broker license/renewal (triennially)..... | 225 |
| Business entity life settlement broker annual license/renewal (per member)..... | 75 |
| Duplicate or replacement license | 25 |

Motor vehicle damage appraiser:

| | |
|---|----|
| Examination (provided by vendor, Prometric) | 10 |
| Initial license..... | 50 |
| Re-examination..... | 50 |
| License renewal | 50 |
| Late renewal..... | 50 |
| Certification | 20 |
| Duplicate or replacement license | 25 |

Public insurance adjuster:

| | |
|---|-------|
| Exam (provided by vendor, Prometric)..... | 10 |
| License, triennial fee..... | 200 |
| Business entity public insurance adjuster license/renewal annual (per member) | 66.66 |
| Duplicate or replacement license | 25 |

Surplus lines broker:

| | |
|---|-----|
| License, annual fee..... | 150 |
| Business entity surplus lines broker annual license/renewal (per member)..... | 150 |
| Duplicate or replacement license | 25 |

Producer Licensing Fees (cont.)

Ch. 26 § 8G; Ch. § 175:14; 801 Mass. Code Regs. § 4.02; Ch. 175-162G to 162X; Ch. 175 § 162Y;
Ch. 175 § 177O; Ch. 129 of the Acts of 1998; 212 CMR 2.00; Ch. 175 §§ 177A, 177B;
Ch. 175 § 212 to 223E; Division website (cont.)

Banks in the business of insurance sales:

| | |
|--------------------------|------|
| License, annual fee..... | \$75 |
| License renewal fee..... | 75 |
| Duplicate license..... | 25 |

Motor clubs:

| | |
|--|-----|
| Motor clubs (on admission) | 200 |
| Agent (motor club)..... | 25 |
| Duplicate or replacement license | 25 |

Portable electronic insurance limited lines license:

| | |
|--|-------|
| License initial license fee..... | 1,000 |
| License renewal fee..... | 500 |
| Duplicate or replacement license | 25 |

Reinsurance intermediary broker:

| | |
|--|-------|
| License, triennial fee..... | 200 |
| Business entity reinsurance intermediary broker license/renewal annual (per member)..... | 66.66 |
| Duplicate or replacement | 25 |

Reinsurance intermediary manager:

| | |
|---|-------|
| License, triennial fee..... | 200 |
| Business entity reinsurance intermediary manager license/renewal annual (per member)..... | 66.66 |
| Duplicate or replacement | 25 |

DEPOSITS

Ch. 175 § 93 Mutual Liability Companies

“Guaranty capital” not less than the combined capital and surplus provisions and a deposit of not less than \$100,000.

Ch. 175 § 79 Mutual Fire Companies

“Guaranty capital” not less than the combined capital and surplus provisions.

Ch. 175 § 151 Foreign Companies

Foreign insurer shall show that a deposit has been made in another state and a deposit in Massachusetts for the benefit of policyholders in the state, in an amount satisfactory to the commissioner.

Deposits (cont.)

Ch. 175 § 116 Title Insurance

Special “guaranty fund” of not less than two-fifths of capital and not less than \$100,000.

Ch. 175 § 90B Domestic Surety Companies

Paid up guaranty capital of not less than the combined capital and surplus provision.

Once any guaranty capital in an amount in excess of \$500,000 is established, deposit \$200,000 in cash or securities with the state treasurer.

Ch. 175 § 106 Foreign Surety Companies

Foreign surety company must demonstrate that it has made a deposit of at least \$100,000 in a state.

→ **CONTACT PERSON**

→ Revenue

Joe Tierney: (617) 626-3250; rulesandregs@dor.state.ma.us; tierneyj@dor.state.ma.us

Producer Licensing

Robert Hunter: (617) 521-7448; robert.hunter@mass.gov

Company Licensing

John Baglio: (617) 521-7394; john.baglio@mass.gov

Policy Approval/Rates

Matthew Mancini: (617) 521-7459; matthew.mancini@mass.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

MICHIGAN

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Mich. Comp. Laws §§ 500.476b; 208.1243 (Michigan Business Tax); 206.643 (Corporate Income Tax)

Subject to Michigan Business Tax (MBT) (if elected), Corporate Income Tax (CIT), or retaliatory tax, whichever is greater.

An insurance company is subject to the CIT unless it holds a certificated credit, as defined at § 208.1107, and elects under § 206.680 to remain subject to the MBT to claim the credit. Under the MBT election, liability is calculated as the greater of the MBT liability with certificated credits or CIT liability with allowed certificated credits. Thus, an insurance company pays the higher of the premium tax to which it is subject, or the retaliatory tax.

Tax Rate:

§§ 500.1813; 500.451

For non-admitted risk retention group and surplus lines insurer, 2% of direct business plus 0.5% regulatory fee.

[Note: Please see the Surplus Lines chart for further information.]

Attorneys' Liability Assurance Soc'y, Inc. v. Fitzgerald, 174 F. Supp. 2d 619 (W.D. Mich. 2001).

Based on court decision, Michigan will no longer collect the 0.5% regulatory fee from foreign risk retention groups.

§ 208.1235 Michigan Business Tax (MBT)

1.25% of gross direct premiums written on property or risk located or residing in Michigan (does not apply to captive insurance companies).

→ § 206.635 Corporate Income Tax (CIT)

1.25% of gross direct premiums written on property or risk located or residing in Michigan, 0.9391% on qualified health insurance policies (neither of which apply to captive insurance companies).

Other Taxes and Assessments:

§ 500.224 Insurers' Regulatory Fee

Each June 30, insurers shall be assessed a regulatory fee calculated according to a formula contained in the statute. The minimum fee for an insurer is \$250.

§§ 500.3301; 500.3330; 500.3385 Michigan Automobile Insurance Placement Facility

Insurers writing auto insurance may be assessed to cover costs of operation. Insurers recoup cost by a surcharge on rates for auto policies. According to § 500.134, this amount cannot be included in retaliatory tax computations.

→ § 500.3171 Assigned Claims Plan

May assess insurers writing motor vehicle coverage for costs of maintaining the facility. According to § 500.134, these assessments cannot be included in the retaliatory tax computations.

§ 500.2301 Worker's Compensation Placement Facility

All insurers authorized to write workers' compensation insurance may be assessed for expense of facility. According to § 500.134, these assessments cannot be included in retaliatory tax computations.

§ 418.501 Special Funds

May assess carriers writing worker's compensation for second injury fund and silicosis, dust disease, and logging industry compensation fund. These assessments may be included in the retaliatory tax computations.

§ 408.1055 Safety, Education and Training Fund

Assess worker's compensation insurers 50% based on losses paid, excluding medical payments, not to exceed 3/4 of 1% of the total of the compensation benefits paid by all carriers and self-insured employers during the immediately preceding calendar year. This assessment may be included in the retaliatory tax computations.

§§ 500.2920; 500.2932 Michigan Basic Property Insurance Association

Insurers writing basic property insurance and homeowners' insurance may be assessed for the deficits of this pool. The rate of assessment shall be based upon a reasonable estimate of the deficit which will probably occur. According to § 500.134, these assessments cannot be included in retaliatory tax computations.

Other Taxes and Assessments (cont.)

§ 500.3104 Michigan Catastrophic Claims Association

Insurers writing auto insurance may be assessed to cover costs of providing unlimited personal injury protection benefits under Michigan no-fault laws to catastrophically injured claimants. According to § 500.134 these assessments cannot be included in retaliatory tax computations.

→ Dept. of Treasury Revenue Administrative Bulletin 2022-20 (11/22/22); Bulletin No. 2022-06-INS –

The MCCA surplus returned to insurance companies for subsequent distribution to policyholders is not regarded as a "gross direct premium" under the Income Tax Act. As such, the MCCA surplus received by an insurer will neither be included in "gross direct premiums" reported in 2022 nor impact "gross direct premiums" previously subject to the premiums tax in any prior year. Insurers may therefore not make any adjustments to gross direct premiums related to the receipt of the MCCA surplus, such as the filing of an amended return to correct a prior tax year or the reporting of an adjustment to gross direct premiums otherwise received in 2022.

§ 500.7941 Property and Casualty Guaranty Association

May assess member insurers an amount no more than 1% of net direct premiums written in Michigan during the previous calendar year for certain kinds of insurance. According to § 500.134, this assessment cannot be included in retaliatory tax computations.

§ 550.1757 Insurance Provider Assessment Act (IPAA)

The IPAA is levied on each insurance provider based on member months reported on its annual financial statement filed with the Michigan Department of Insurance and Financial Services or Department of Health and Human Services, whichever is applicable, for the previous calendar year, at various rates according to statutory tiers. For tax years 2019 and thereafter, Treasury is required by June 15 to notify all taxpayers of the amount of their annual assessment based on the number of member months reported in the preceding calendar year, which is then payable in quarterly installments beginning July 30. Pursuant to § 550.1761, the IPAA assessment cannot be included in the retaliatory computations.

§ 500.7709 Life and Health Guaranty Association

May assess member insurers no more than \$150 per year and 2% of the average premiums for the last three years for the kinds of policies covered by the account or subaccount. According to § 500.134, these assessments cannot be included in retaliatory tax computations.

Exclusions and Deductions:

§ 500.8163 Fraternal

Fraternal are exempt from taxation.

§ 208.1235 Michigan Business Tax Exemption

The first \$190,000,000 of disability insurance premiums written in Michigan other than credit insurance and disability income insurance premiums. This exemption is reduced by \$2 for each \$1 by which the insurer's gross direct premiums from insurance carrier services in and outside Michigan exceed \$280,000,000.

§ 206.635 Corporate Income Tax Exemption

The first \$190,000,000 of disability insurance premiums written in Michigan other than credit insurance and disability income insurance premiums. This exemption is reduced by \$2 for each \$1 by which the insurer's gross direct premiums from insurance carrier services in and outside Michigan exceed \$280,000,000. If the taxpayer writes disability premiums for both qualified health insurance policies (subject to a different rate) and other policies (subject to the general 1.25% rate), the exemption applies proportionally to each tax base.

Credits:

An insurance company is subject to the CIT unless it holds a certificated credit, as defined at § 208.1107, and elects under § 206.680 to remain subject to the MBT to claim the credit. *See* §§ 208.1500 and 206.680. The qualifying certificated credits with which to make the election for insurance companies are: Michigan Economic Growth Authority (MEGA) photovoltaic credit under § 208.1430; MEGA employment tax credit under § 208.1431; certain certificated renaissance zone credits under § 208.1433; historic preservation credit under § 208.1435; brownfield redevelopment credit under § 208.1437; film production credit under § 208.1455; and film infrastructure credit under § 208.1457.

For an insurance company that elects to remain subject to the Michigan Business Tax, the following credits are available:

§ 208.1237 Credits for Payments to Facilities or Associations

An insurance company may take nonrefundable credits for amounts paid in the immediately preceding tax year to the Michigan Worker's Compensation Placement Facility, Michigan Basic Property Insurance Association, Michigan Automobile Insurance Placement Facility, Property and Casualty Guaranty Association, and Michigan Life and Health Guaranty Association. Amounts paid to the Michigan Automobile Insurance Placement Facility attributable to the assigned claims plan are not eligible for a credit.

§§ 208.1239(1); 500.224 Examination or Regulatory Fees

An insurance company may take a credit against the tax equal to 50% of the Michigan examination or regulatory fees paid by the insurance company pursuant to MCL 500.224 in the tax year.

Credits (cont.)

§ 208.1239(2) Compensation Credit

An insurance company may claim a compensation credit provided under § 208.1403(2), not to exceed 65% of the insurance company's tax liability for the tax year after claiming other allowed insurance specific credits.

§ 208.1430 MEGA Photovoltaic Technology Credit

A qualified taxpayer may claim a credit, certified by the MEGA, against the tax, for construction and operation of a new facility in Michigan which develops and manufactures photovoltaic energy, photovoltaic systems, or other photovoltaic technology. Available to an insurance company as an assignee only.

§§ 208.1433; 208.1107(1)(f) Renaissance Zone Credit

May claim a credit against the tax for a business located and conducting business activity within a renaissance zone. The credit continues through the tax year in which the renaissance zone designation expires. If the amount of the credit exceeds the tax liability of the taxpayer for the tax year, that portion of the credit shall not be refunded. This credit is available as both a certificated and non-certificated credit. A taxpayer must hold a certificated credit in order to elect being subject to the MBT; however, a taxpayer located in a designated renaissance zone that does not have a certificated renaissance zone credit, but which makes the election to remain taxable under the MBT on the basis of another certificated credit may also claim this credit.

§ 208.1435 Historic Preservation Credit

A qualified taxpayer may claim a credit, certified by the state historic preservation office, against the tax for rehabilitation of historic resources in Michigan. This credit may be nonrefundable, or under certain circumstances refundable, at the taxpayer's election, in accordance with §§ 208.1500 and 208.1510(3).

§ 208.1437 Brownfield Redevelopment Projects

A qualified taxpayer may claim a credit as approved by the MEGA against the tax. This credit may be nonrefundable, or under certain circumstances refundable at the taxpayer's election, in accordance with §§ 208.1500 and 208.1510(3).

§§ 208.1241; 418.352(8) Worker's Disability Supplemental Benefit (WDSB)

An insurance company may claim a credit against the tax equal to amounts paid under § 352 of the worker's disability compensation act. Amounts used to calculate this credit must be certified to the Michigan Department of Treasury by the worker's compensation agency at the Michigan Department of Labor and Economic Opportunity.

Credits (cont.)

§ 208.1431 Michigan Economic Growth Authority (MEGA) Employment Credit

A taxpayer that is an authorized business may claim a credit against the tax equal to the amount certified each year by the MEGA for a period of time not to exceed 20 years. This credit is refundable.

Unless an insurance company makes the MBT election as described above, it is subject to the CIT. The credits for insurance companies available under the CIT are:

§ 206.637 Credits for Payments to Facilities or Associations

An insurance company may take nonrefundable credits for amounts paid in the immediately preceding tax year to the Michigan Worker's Compensation Placement Facility, Michigan Basic Property Insurance Association, Michigan Automobile Insurance Placement Facility, Property and Casualty Guaranty Association, and Michigan Life and Health Guaranty Association. Amounts paid to the Michigan Automobile Insurance Placement Facility attributable to the assigned claims plan are not eligible for a credit.

§§ 206.639; 500.224 Examination or Regulatory Fees

An insurance company may take a credit against the tax equal to 50% of the Michigan examination or regulatory fees paid by the insurance company pursuant to MCL 500.224 in the tax year.

§§ 206.641; 418.352 Worker's Disability Supplemental Benefit (WDSB)

An insurance company may claim a credit equal to amounts paid under § 352 of the Worker's Disability Compensation Act. The amounts used to calculate this credit must be certified to the Michigan Department of Treasury by the worker's compensation agency at the Michigan Department of Labor and Economic Activity.

→ § 206.676 Historic Preservation Tax Credit

A qualified taxpayer may claim a credit, certified by the state historic preservation office after December 31, 2020, and before January 1, 2031, against the tax for rehabilitation of historic resources in Michigan. This credit is nonrefundable.

Payment Due Dates:

§§ 208.1501 and 208.1243 (MBT); 206.681 and 206.643 (CIT)

Annual tax return due before Mar. 2. If a taxpayer reasonably expects a liability greater than \$800 for the year, estimated quarterly payments are required. An insurance company must use the higher of the premiums tax or retaliatory tax when calculating estimates. Payments are generally due April 15, July 15, Oct. 15, and Jan. 15. Each payment must approximate the taxpayer's tax liability for the quarter or 25% of the estimated annual liability. Second-, third-, and fourth-quarter payments should include any necessary adjustments for overpayments or underpayments from a previous quarter. If prior year liability was \$20,000 or less, a taxpayer may make four equal payments of prior year liability. Penalty and interest will not be applied if the sum of estimated payments made equals at least 85% of the total current liability and each quarterly payment reasonably approximates the liability for the quarter.

§ 500.443

Insurance companies paying the retaliatory tax are required to submit estimates before April 30, July 31, Oct. 31, and Jan. 31 of each year.

Filing Threshold Under the CIT:

§ 206.685

An insurance company whose CIT tax liability is less than or equal to \$100 is not required to file a return or pay the tax imposed under the CIT.

Penalties and Interest:

→ § 205.23

Interest rate on underpayments is 1% above adjusted prime rate. If any part of underpayment is due to negligence, add a penalty of \$10 or 10% of the deficiency, whichever is greater. If any part of the underpayment is due to intentional disregard of the law, the penalty is \$25 or 25% of the deficiency, whichever is greater. If any part of the deficiency is due to fraudulent intent to evade tax, a penalty of 100% of the deficiency shall be added to tax.

For interest rates through December 31, 2022, *see* Rev. Admin. Bulletin 2022-6; for period January 1, 2023 through June 30, 2023, *see* Rev. Admin. Bulletin 2022-15.

§ 205.24

Penalty for failure to timely file a quarterly or annual return or pay a tax, is 5% of tax for first two months, plus 5% for each additional month, to a maximum of 25%.

Extensions:

§§ 208.1243; 206.643

Insurance companies do not qualify for the automatic extension otherwise available for the MBT under § 208.1505(4) or the CIT under § 206.685(4). However, an insurance company may apply for and be granted an extension for good cause shown under § 208.1505(3) or § 206.685(3).

Retaliatory Law:

§ 500.476a

If a Michigan insurer would be required by another state to make a deposit of securities, or pay taxes, fines, penalties, special burdens, or any other burdens, greater in the aggregate than is required by Michigan law for a similar insurer of that other state, retaliation will occur.

FEES

Insurers' Fees:

All taxes and fees are aggregated for retaliation purposes.

§§ 500.223; 500.240; 500.4603; 500.4705; 500.1208a

Insurer application:

Licensure fee..... \$500

Certificate of authority fee:

One-time only charge payable by each insurer and HMO..... 25

Agent appointments:

First year insurance producer appointment with insurer (\$5 appointment fee plus \$5 renewal appointment fee)..... 10

Subsequent annual fee for each insurance producer appointment (each authorized insurer is invoiced annually in Jan. for all active producer appointments, due 30 days from invoice date) 5

Insurers' Fees (cont.)

§§ 500.223; 500.240; 500.4603; 500.4705; 500.1208a (cont.)

Captive insurers' fees:

| | |
|-------------------------------------|---------------|
| Application fee* | \$10,000 |
| Organizational documents review fee | 25 |
| Annual renewal fee** | 5,000–100,000 |

**There could be an additional application review fee of \$2,700 pursuant to § 500.4603(9) or § 500.4705(9)(a) and a SPFC contract review fee of \$1,200 pursuant to § 500.4713(3). If an application is forwarded to our outside vendor for review, these vendor review costs will ultimately be the responsibility of the applicant.*

****Renewal fees based on annual premium:**

| | |
|---------------------------|---------------|
| <\$5,000,000 | = \$5,000 fee |
| \$5,000,000–\$10,000,000 | = \$10,000 |
| \$10,000,000–\$15,000,000 | = \$15,000 |
| \$15,000,000–\$25,000,000 | = \$25,000 |
| \$25,000,000–\$40,000,000 | = \$40,000 |
| \$40,000,000–\$55,000,000 | = \$50,000 |
| \$55,000,000–\$75,000,000 | = \$75,000 |
| >\$75,000,000 | = \$100,000 |

Producer/Non-Producer Type Licensing Fees:

§ 500.240

Application fees:

| | |
|---|----|
| Agent, surplus lines, solicitor, insurance counselor, or adjuster | 10 |
|---|----|

Annual fees (first year, add to application fee):

| | |
|-----------------------------|-----|
| Solicitor's license | 10 |
| Insurance counselor license | 10 |
| Adjuster's license | 5 |
| Surplus lines license | 100 |

Examination fee:

| | |
|------------------------|-------------|
| Paid to outside vendor | 41 per exam |
|------------------------|-------------|

Paid by individual applicant.

DEPOSITS

§§ 500.476a; 500.411

Domestic insurers maintain deposit with state treasurer of \$300,000 or such larger amount as the commissioner considers appropriate.

No deposit required in Michigan for foreign insurers if they have and maintain a deposit in the state of domicile that meet Michigan's requirements.

→ CONTACT PERSON

- Department of Treasury, Tax Policy Division
David Matelski: (517) 335-7424; MatelskiD@michigan.gov and
Treas_Tax_Policy@michigan.gov
- Department of Insurance and Financial Services, Office of Insurance Evaluation
Kathy Moua: (517) 284-8762; MouaK@michigan.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

MINNESOTA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Minn. Stat. § 297I.01, Subd. 9

“Gross premiums” means total premiums paid by policyholders and applicants of policies, whether received in the form of money or other valuable consideration, on property, persons, lives, interests and other risks located, resident or to be performed in this state, but excluding consideration and premiums for reinsurance assumed from other insurance companies. The term “gross premiums” includes the total consideration paid to bail bond agents for bail bonds. For title insurers, “gross premiums” means the charge for title insurance made by a title insurer’s or its agents according to the company’s rate filing without a deduction for commissions paid to or retained by the agent. Gross premiums of an insurer does not include any other charge or fee for abstracting, searching or examining the title, or escrow, closing or other related services. The term “gross premiums” includes any workers’ compensation special compensation fund premium surcharge pursuant to § 176.129.

Gross premiums do not include premiums for annuity contracts.

Effective June 3, 2005, Reinsurance includes taxable policies (under § 297I.05) of insurance companies, nonprofit health service corporations, health maintenance organizations and integrated service networks.

Effective for premiums received after Dec. 31, 2005, direct business includes premiums related to stop loss coverage.

Stop loss premiums do not include reinsurance where an insurance company assumes the liability of another insurance company or self-insurance. An insurance company, for this section, includes nonprofit health service corporations, health maintenance organizations, and community integrated service networks.

Effective May 28, 2010, “gross premiums” definition was amended to clarify that for purposes of the nonadmitted insurance tax, gross premiums include all related fees, commissions and charges received by the licensee. Gross premiums do not include the stamping fee and the operating assessment.

Effective July 20, 2011, “gross premiums” was amended to clarify that for purposes of the tax on nonadmitted insurance that the term refers to the total consideration paid for the insurance contract. Effective for nonadmitted insurance policies.

Premium Tax Base (cont.)

§ 297I.01, Subd. 10a

Effective July 20, 2011, “home state” means the state where the insured has a principal place of business, or in case of an individual, a principal residence. When the total risk is located outside of the home state, the premiums are taxable at the state where the greatest portion of the premiums is allocated. If more than one insured in an affiliated group are insured, home state is the location where the insured with the largest percentage of premiums is located. Effective for nonadmitted insurance policies.

§ 297I.01, Subd. 10b

Effective July 20, 2011, “independently procured insurance” means insurance that is procured directly by an insured from a nonadmitted insurer.

§ 297I.01, Subd. 10c

Effective July 20, 2011, “nonadmitted insurance” means property and casualty insurance procured directly by an insured, or indirectly through a surplus lines broker, from a nonadmitted insurer.

§ 297I.01, Subd. 10d

Effective July 20, 2011, “nonadmitted insurance premiums tax” means, with respect to surplus lines or independently procured insurance coverage, any tax, fee, assessment, or other charge imposed directly or indirectly by a government entity.

§ 297I.01, Subd. 10e

Effective July 20, 2011, “nonadmitted insurer” means an insurer not licensed to engage in the business of insurance in Minnesota. A nonadmitted insurer does not include risk retention groups, as defined under the federal Liability Risk Retention Act of 1986.

§ 297I.01, Subd. 15a

Effective July 20, 2011, “surplus lines broker” means a person licensed to sell, solicit, or negotiate insurance on properties, risks, or exposures located or to be performed in a state with nonadmitted insurers. This new definition replaces the term “licensee” which was used in Ch. 297I. Effective for nonadmitted insurance policies.

§ 297I.01, Subd. 16

Effective July 20, 2011, “taxpayer” was amended to replace the term “surplus lines licensee” with the term “surplus lines broker”. Effective for nonadmitted insurance policies.

Premium Tax Base (cont.)

§ 60A.204

Surplus lines broker may charge fees and commissions, in addition to the premium, that are not excessive or discriminatory. The broker shall maintain complete documentation of all fees and commissions charged.

§ 60A.209, Subd. 1

Upon obtaining coverage from an ineligible surplus lines insurer, a surplus lines broker shall collect from the insured appropriate premium taxes, as provided under Ch. 297I, and report the transaction to the commissioner of revenue (effective Aug. 1, 2011).

§ 297I.05, Subd. 7

A tax is imposed on surplus lines brokers. The rate of tax is equal to 3% of the gross premiums less return premiums paid by an insured whose home state is Minnesota.

Effective July 20, 2011, nonadmitted insurance premium tax was amended to modify terms consistent with other changes and new definitions in Ch. 297I. Subd. 7(a) explains the application of the tax on surplus lines brokers when premiums are paid by an insured whose home state is Minnesota. Subd. 7(b) explains the application of the tax when insurance is purchased directly from a nonadmitted insurer, without the involvement of a surplus lines broker. Subd. 7(c) explains that only the home state of the insured can impose a tax, and when Minnesota is the home state, 100% of the gross premiums are subject to 3% tax in Minnesota. Effective for nonadmitted insurance policies.

[Note: Please see the Surplus Lines chart for further information.]

§ 297I.40, Subd. 1 and 5

The term “tax” means is the tax imposed by § 297I.05, Subd. 1 to 5, 11, 12(a)(1)-(4), 12(b), 12(d), and 14, less any offset in § 297I.20.

§ 297I.15, Subd. 11 Premiums Paid to Certain Foreign Insurance Companies

With respect to the state employees group insurance program, premiums paid for life insurance and accidental death and dismemberment insurance for eligible employees and dependents, including premiums paid by employees or dependents for optional coverage, are exempt from the taxes imposed under Ch. 297I to the extent the premiums are paid to a foreign insurance company domiciled in a state that exempts its state employee group life insurance program from premium taxes.

Tax Rate:

§ 297I.05

Subd. 1. 2% of gross premiums less return premiums on every domestic and foreign insurance company with certain exceptions.

Subd. 2. 1% of gross premiums less return premiums on town and farmers' mutual insurers.

Subd. 3. 1% of gross premiums less return premiums on mutual property and casualty insurers with assets of \$5 million or less at the end of the calendar year.

Subd. 4.(1) 1.26% of gross premiums less return premiums on mutual insurance companies that sell both property and casualty insurance that had total assets greater than \$5 million at the end of the calendar year but less than \$1.6 billion as of Dec. 31, 1989.

Subd. 4.(2) 1.26% of gross premiums less return premiums on all direct business for a mutual insurance company that sells only casualty insurance.

Subd. 5. 1% of gross premiums less return premiums on HMOs, nonprofit health service plan organizations, and community integrated service networks.

Subd. 7. 3% of gross premiums less return premiums for surplus lines brokers. The rate of tax is equal to 3% of the gross premiums less return premiums paid by an insured whose home state is Minnesota.

Subd. 7.(b) 2% of gross premiums less return premiums on persons, firms, or corporations that procure insurance directly from a nonadmitted insurer. The rate of tax is equal to 2% of the gross premiums less return premiums paid by an insured whose home state is Minnesota.

Subd. 12.

(a) 2% of

- (1) gross premiums less return premiums written by risk retention groups
- (2) gross premiums less return premiums received by an attorney in fact for assigned risk policies and contracts of coverage (Ch. 71A)
- (3) gross premiums less return premiums received for assigned risk policies (Ch. 79)
- (4) direct funded premiums received by the reinsurance association (§ 79.34) from self-insurers (§ 176.181) and political subdivisions that self-insure.

(b) 2% of the total amount of claims for joint self-insurance plans (Ch. 60F)

(c) 2% of the total amount of claims for joint self-insurance plans (Ch. 62H)

(d) 1% of gross premiums less return premiums on all coverages received by an accountable provider network or agents of an accountable provider network

Subd. 14.

1.5% of gross premiums less return premiums on all direct business received by the insurers or agents of the insurer for life insurance.

Other Taxes and Assessments:

§ 45.0135 Insurance Fraud Prevention Account

Insurers are assessed based on total assets and written premium to fund the insurance fraud prevention account. Does not apply to risk retention groups, township mutuals or HMOs. The assessment is due June 1 of each year. For purposes of Minnesota law, these assessments are not subject to retaliation.

If a company has no earned premium within Minnesota the previous calendar year, the entire assessment is waived.

The assessment is calculated to be an amount up to the following:

| Total Assets | Assessment |
|------------------------------|-------------------|
| Less than \$100 million | \$200 |
| \$100 million to \$1 billion | 750 |
| Over \$1 billion | 2,000 |

| Minnesota Written Premiums | Assessment |
|-----------------------------------|-------------------|
| Less than \$10 million | 200 |
| \$10 million to \$100 million | 750 |
| Over \$100 million | 2,000 |

§ 60A.03 Examination Fees and Expenses

Companies shall pay to the department of commerce the necessary expenses of the persons engaged in the examination, visit, appraisal, or desk audits of annual statements and records performed by the department other than on the company premises plus the per diem salary fees of the employees of the department of commerce who are conducting or participating in the aforementioned tasks.

§ 60C.06 Property and Casualty Guaranty Association

The association may assess member insurers up to 2% of the prior calendar years net direct written premiums for types of insurance in account with insolvency. For purposes of Minnesota law, guaranty fund assessments are not subject to retaliation.

Other Taxes and Assessments (cont.)

§§ 61A.02; 61A.03; Bulletin 2005-8 Expedited Procedure for Life or Annuity

An insurer may file a life or annuity contract, rates, or forms and all related riders of any kind or description with the commission for a review under this subdivision. Any review must be completed within 60 days of receipt of a completed filing. The cost of any actuarial review must be paid by the insurer submitting the filing under this subdivision. Payments received by the commissioner under this subdivision shall be deposited in the revolving fund established under § 60A.03. *See* Bulletin 2005-8.

§ 61B.24 Life and Health Guaranty Association

Assessments for administrative expenses may be made on a pro rata or non pro rata basis. Assessments for insolvencies are made to member insurers based on the average premiums for the three most recent years written for the types of insurance in the account or subaccount with the deficiency and may not exceed 2% of premiums for the type of insurance covered by that account. For purposes of Minnesota law, guaranty fund assessments are not subject to retaliation.

§ 62E.11 Comprehensive Health Association

All insurers writing health insurance and all HMOs may be assessed, if necessary, to cover losses of the association.

§ 62I.07 Joint Underwriting Association

The association may assess insurers for losses of JUA in proportion to premiums written in the state.

§ 79.251 Workers' Compensation Assigned Risk Plan

The commissioner of commerce shall assess all insurers licensed to write workers' compensation insurance an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations.

§ 176.129 Special Compensation Fund

Payment of the special fund assessment is the legal obligation of the insurer. Self-insured employers will generally contract with a third-party administrator or report and pay the assessment themselves. The assessment is a percentage of the total standard workers' compensation premium is determined by the department of labor and industry.

Other Taxes and Assessments (cont.)

§ 297I.06 Surcharges on Fire Safety Premiums

Subd. 1. Effective for premiums written after June 30, 2007, each insurer engaged in writing policies of homeowner's insurance, commercial fire policies, or commercial nonliability policies shall collect a surcharge equal to 0.65% (through June 30, 2013) or 0.5% (beginning July 1, 2013) of the gross premiums and assessments, less return premiums, on direct business received by the company, or by its agents for it, for homeowner's insurance policies, commercial fire policies, and commercial nonliability insurance policies in this state. The surcharge collected may not be considered premium for any other purposes. The amounts collected by the commissioner must be deposited into the fire safety account.

Subd. 2. §297I.06 does not apply to a township mutual fire insurance company in Minnesota. Mutual property and casualty companies described in § 297I.05, Subd. 3 and 4, authorized to transact business in Minnesota shall elect to remit to the Department of Revenue either (1) the surcharge amount imposed under this section on all premiums subject to that surcharge, or (2) a surcharge of 0.5% on the gross fire premiums and assessments, less return premiums, on all direct business received by the insurer or agents of the insurer in Minnesota, in cash or otherwise during the year.

The fire safety surcharge is filed quarterly. The fire safety surcharge is not subject to retaliatory tax and is deposited in a special account to be known as the fire safety account.

§ 297I.10 Surcharge on Premiums to Restore Deficiency in Special Fund

Cities of the first class. The commissioner shall order and direct a surcharge to be collected of 2% of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in a city of the first class, or by its agents for it, in cash or otherwise.

2% surcharge on fire insurance premiums is not subject to premium tax. The fire insurance premiums are subject to premium tax. This is currently being collected in Minneapolis, St. Paul, Rochester and Duluth.

§§ 297I.11; 297I.30 Automobile Theft Prevention Surcharge

On or before May 1, Aug. 1, Nov. 1, and Feb. 1 of each year, every insurer required to pay the surcharge under § 297I.11 shall file a return with the commissioner for the preceding three-month period ending Mar. 31, June 30, Sept. 30, and Dec. 31, in the form prescribed by the commissioner. Effective July 1, 2013.

Exclusions and Deductions:

§ 297I.10 Fireman's Relief Fund Surcharge

2% surcharge on fire insurance premiums is not subject to premium tax. The fire insurance premiums are subject to premium tax. This is currently being collected in Minneapolis, St. Paul, Rochester and Duluth.

§ 64B.24 Fraternal

Fraternal are exempt from payment of premium tax.

Crop Insurance

Premiums on federally reinsured crop insurance are not subject to premium tax.

Credits:

§ 62I.06 Joint Underwriting Association

Assessments paid to the JUA shall be a credit against past or future premium taxes owed the state.

§ 297I.20 Guaranty Association Assessment

An insurance company may offset against its premium tax liability an amount paid for insolvencies. Assessments paid to the life and health guaranty association may be offset against the premium tax liability. The offset shall equal 20% of the assessment for each of the five years following the year in which the assessment was paid. If total assessments exceed preceding insurance tax revenues, a proportionate amount will be allowed.

§ 297I.20 Historic Structure Rehabilitation

An insurance company may claim a credit against the premiums tax imposed under this chapter equal to the amount of the credit certificate issued to it, or to a person who has assigned the credit to the insurance company, under § 290.0681. If the amount of the credit exceeds the liability for tax under this chapter, the commissioner shall refund the excess to the insurance company. An amount sufficient to pay the refunds under this section is appropriated to the commissioner from the general fund. This credit does not affect the calculation of fire state aid under § 477B.03 and police state aid under § 477C.03. Effective for aids payable in 2020 and thereafter.

Payment Due Dates:

§§ 297I.30 to 297I.40

On or before Mar. 1, every taxpayer subject to taxation under § 297I.05, Subd. 1 to 5, 7(b), 12, and 14, shall file an annual return for the preceding calendar year in the form prescribed by the commissioner.

On or before Feb. 15 and Aug. 15 of each year, every surplus lines broker subject to taxation under § 297I.05, Subd. 7, shall file a return with the commissioner for the preceding six-month period ending Dec. 31, or June 30, in the form prescribed by the commissioner.

For filing periods ending before Nov. 1, 2017, Fire Fighter Relief Surcharge returns are due April 30 for the five-month period ending Mar. 31, June 30 for the two-month period ending May 31, and Nov. 30 for the five-month period ending Oct. 31.

For periods ending after Oct. 31, 2017, Fire Fighter Relief Surcharge returns are due June 30 for the seven-month period ending May 31, and Nov. 30 for the five-month period ending Oct. 31. By combining the March and May filings, there will no longer be filing dates for a two-month period.

Fire safety surcharge quarterly returns are due on or before May 15, Aug. 15, Nov. 15, and Feb. 15 of each year, every insurer required to pay the surcharge under section 297I.06, Subd. 1 and 2, shall file a return with the commissioner for the preceding three-month period ending Mar. 31, June 30, Sept. 30, and Dec. 31, in the form prescribed by the commissioner.

Electronic payments are required for companies and agents with a prior year tax liability of over \$10,000 or if any other Minnesota business tax is required to be paid electronically, such as sales and withholding tax. The threshold period is a fiscal year ending June 30.

→ §§ 297I.20; 116U.27

Film production credit: For tax years 2021 through 2024, taxpayers may claim a new film production credit for 25% of eligible production costs paid in the tax year. Total credit allocations are capped at \$4.95 million per taxable year. Unused credit may be carried over for five years. Taxpayers may claim the credit against the or insurance premium tax.

→ §§ 297I.20; 290.0683

Credit for contributions to housing investment account: For tax years 2023 through 2028, taxpayers may claim a new credit for 85% of their contributions of at least \$1,000 and up to \$2 million to a new housing investment account at Minnesota Housing. Taxpayers may claim the credit against the insurance premium tax.

Penalties:

§ 297I.65, Subd. 4

If a taxpayer omits more than 25% of gross premium tax, additional tax may be assessed within 6-1/2 years from the due date of the return.

§§ 297I.80; 297I.85

Overpayment and underpayments bear interest at rate that is adjusted annually. There are late payment, late filing, evasion, and negligence penalties imposed when applicable. There is also a 5% penalty for companies that are required to pay electronically and do not.

Extensions:

§ 297I.30, Subd. 9 Extensions for Filing Returns

When, in the commissioner's judgment, good cause exists, the commissioner may extend the time for filing returns for not more than six months.

§ 297I.60 Subd. 2 Denial of Claim for Refund; Remedies

Effective for claims for refund denied after Dec. 31, 2017, the period of time to file an administrative appeal, Tax Court appeal, or district court action on the denial of a claim for refund begins with the notice date designated on the order.

§ 297I.75

The commissioner may, in writing, consent to an extension of time for assessment of tax, surcharge or filing a claim for refund.

Retaliatory Law:

§ 60A.14 Retaliation on Fees

When any other state's fines, penalties, licenses or fees are in excess of those Minnesota imposes on foreign insurers or their agents, retaliation will occur.

§ 297I.05, Subd. 11 Retaliation on Taxes

When any other state charges taxes, fines, penalties, deposits or fees on a Minnesota insurer and their agents in the aggregate, in excess of what Minnesota would impose on similar insurers or their agents, retaliation will occur. This provision does not apply to companies domiciled in states which do not impose retaliatory taxes or do enforce on a reciprocal basis. Taxes, fines, deposits, penalties, licenses or fees do not include guaranty fund assessments or special purpose assessments for purposes of retaliation.

The tax on HMO's, firefighter relief surcharge, fire safety surcharge and automobile theft surcharge are not subject to retaliatory tax.

FEES

Revenue department aggregates all* fees paid during the year on the premium tax return for most companies. However, the commerce department retaliates against surplus lines and fraternal companies.

** Taxes, fines, deposits, penalties, licenses or fees do not include guaranty fund assessments or special purpose assessments for purposes of retaliation.*

Insurers' Fees:

§§ 60A.14; 60A.092; 60A.206; 62M.03; 60A.964

Township mutual fire insurance companies:

| | |
|--|------|
| Filing certificate of incorporation | \$25 |
| And amendments thereto..... | 10 |
| Each annual certificate of authority | 15 |
| Filing bylaws..... | 25 |
| And amendments thereto..... | 10 |
| Annual statement filing..... | 15 |

Other insurers, including fraternal and reciprocals:

| | |
|--|-----|
| Filing certified copy of certificate of articles of incorporation..... | 100 |
| Filing certified copy of amendment to certificate or articles of incorporation | 100 |
| Filing bylaws..... | 75 |
| Or amendments thereto | 75 |
| Renewal of company's certificate of authority annually | 575 |

Annual statement:

| | |
|------------------------------|-----|
| Annual statement filing..... | 225 |
|------------------------------|-----|

Filing application for initial certification of authority:

| | |
|------------------------------|-------|
| Effective Aug. 1, 2005 | 1,500 |
|------------------------------|-------|

Forms and rates, per electronic filing paid via SERFF EFT:

| | |
|---|-----|
| Electronic Funds Transfer..... | 125 |
| [SERFF Electronic Filings Mandated pursuant to Bulletin 2007-12 and Bulletin 2007-3.] | |

Valuing the policies of life insurance companies:

| | |
|--|--|
| Valuing the policies of life insurance companies | 0.01 per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. |
|--|--|

Receiving and filing certificates:

| | |
|---|----|
| Of policies by the company's actuary, or by the commissioner of insurance of any other state or territory | 50 |
|---|----|

Insurers' Fees (cont.)

§§ 60A.14; 60A.092; 60A.206; 62M.03; 60A.964 (cont.)

Surplus lines:

| | |
|--|-------|
| Application fee for placement of company on eligible surplus lines list..... | \$500 |
| Annual renewal | 300 |
| <i>(Retaliation determined at time of licensing or renewal.)</i> | |

Producers' appointment—each appointment of an agent filed with the commissioner:

| | |
|---|----|
| All insurers shall remit per appointment..... | 30 |
|---|----|

Accredited reinsurer:

| | |
|--|-----|
| Accredited reinsurer filing fee, annually..... | 225 |
|--|-----|

Utilization review organization:

| | |
|--|-------|
| Initial fee for registration and biennial renewal..... | 1,000 |
|--|-------|

Viatical settlement provider:

| | |
|--------------------------------|-----|
| Initial fee for licensure..... | 750 |
| Annual renewal fee | 250 |

→ Producer Licensing Fees:

§§ 60K.55; 60A.14; 72B.041; 60A.71

Miscellaneous services:

| | |
|---|------|
| Each certificate, including certified copy of certificate of authority, renewal, Valuation of life policies, corporate condition or qualification..... | 25 |
| Each copy of paper on file in the commissioner's office per page | 0.50 |
| Certifying copy of paper on file in the commissioner's office | 2.50 |
| Licensure to procure insurance with non-admitted foreign companies | 575 |

Producers' licenses:

| | |
|--|--------------|
| Initial life, health, property, casualty license-per line of authority | 50 |
| Renewal of license, biennially | 50 |
| Initial license issued to business entity | 200 |
| Renewal, biennially | 200 |
| Initial variable life and annuity license..... | 50 |
| Renewal, biennially | 50 |
| Initial personal lines license, farm property and liability..... | 50 |
| Renewal, biennially | 50 |
| Initial limited lines producer license (credit, title, travel, bail bond)..... | 50 |
| Renewal, biennially | 50 |
| Initial limited lines portable electronics insurance vendor, 10 or fewer locations..... | 100/location |
| Renewal, biennially | 100/location |
| Initial limited lines portable electronics insurance vendor, more than 10 locations..... | 6,500 |
| Renewal, biennially | 6,500 |
| Technology Surcharge | 20† |

†\$20 from 1/1/2022 through 5/2/2022, \$15 thereafter.

Producer Licensing Fees (cont.)

§§ 60K.55; 60A.14; 72B.041; 60A.71 (cont.)

Insurance adjusters:

| | |
|---|------|
| License | \$50 |
| Renewal, biennially | 50 |
| License issued to business entity | 50 |
| Renewal, biennially | 50 |
| Technology Surcharge | 20 |

†\$20 from 1/1/2022 through 5/2/2022, \$15 thereafter.

* *Individual insurance producers and adjusters shall pay a technology surcharge in addition to the fees required for each initial license and renewal.*

Surplus lines agents:

| | |
|---|-----|
| Initial surplus lines agent’s license | 500 |
| Renewal, biennially | 500 |

Reinsurance intermediaries:

| | |
|---|-----|
| Initial fee for 2-year license | 200 |
| Renewal of reinsurance intermediary license | 150 |

§§ 60A.2085; 60A.2086 Surplus Lines Association of MN Stamping Office

All policies/contracts with an effective date on or after Jan. 1, 2009, must be electronically filed with the stamping office. The stamping fee rate is 0.0004 for all premium bearing transactions that have an effective date on or after Oct. 1, 2016. It shall be unlawful for an insurance agent, broker, or surplus line licensee to deliver in this state any surplus lines insurance policy or contract unless the insurance document is stamped by the association. Stamping fees will be payable semi-annually to the association. Instructions regarding filing procedures are available at the association website www.mnsla.com.

DEPOSITS

§ 60A.10

Domestic companies (other than farmers’ mutuals and real estate title companies) shall deposit \$500,000 or 50% of the capital and surplus requirement, whichever is less. Foreign companies may instead present a certificate that they have made a like deposit in their home state. The commissioner may require a special deposit.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

§ 68A.01 Title Companies

Real estate title companies deposit \$100,000 or 40% of capital stock, whichever is greater.

→ **CONTACT PERSON**

Minnesota Revenue Department, Insurance Taxes

Internet web site address: www.revenue.state.mn.us

Premium and other insurance taxes

Jerry Sieve, (651) 556-4729; insurance.taxes@state.mn.us

Minnesota Commerce Department, Insurance Regulation and Fees

Deposits & Fees

Jennifer Price: (651) 539-1736; jennifer.price@state.mn.us

Agent Licensing

Peter Bratsch: (651) 539-1585; peter.bratsch@state.mn.us

Enforcement

Paul Hanson: (651) 539-1641; paul.hanson@state.mn.us

Rate and Form Filing

Tammy Lohmann: (651) 539-1731; tammy.lohmann@state.mn.us

→ Auto Theft Surcharge

Tony Ofstead: (651) 539-1602; tony.ofstead@state.mn.us

Minnesota Surplus Lines Agents Stamping Office

Nicholas Schroeder: (320) 679-4244; nschroeder@mnsula.com

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

MISSISSIPPI

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Miss. Code Ann. §§ 27-15-103; 27-15-109; 27-15-119; 83-1-151; 83-29-57

Gross premiums including policy fees, membership fees, etc., minus premiums received for reinsurance, cash dividends paid and cancellations. Premiums received for a deferred compensation plan qualified under I.R.C. § 457 are not included by foreign insurers, and domestics do not include premiums on plans qualified under I.R.C. §§ 401, 403 and 457. “Insurer” includes every person engaged as an indemnitor, surety or contractor in the business of entering into contracts of insurance or of annuities, all corporate bodies, fraternal, nonprofit companies and HMO’s. No tax on annuities, fraternal and nonprofit companies.

Tax Rate:

§ 27-15-103

3% for foreign insurers—of gross amount of premiums received from, and on insurance policies and contracts written in, or covering risks located in Mississippi.

§ 27-15-109

3% for domestic insurers.

→ § 83-83-6 (Effective 7/1/22)

3% for travel insurer

§ 83-21-25

Single State Risks: 4% premium tax.

Multi-State Risk: 4% if Mississippi is the home state as defined by the Nonadmitted and Reinsurance Reform Act (NRRA).

[Note: Please see the Surplus Lines chart for further information.]

§ 83-55-7

Risk retention group taxed same as foreign admitted insurer.

Other Taxes and Assessments:

§ 27-15-83 Privilege Tax

Each foreign insurer licensed as a single line company pays a privilege tax of \$200. For any combination of classifications, a multiple line company pays \$350. A domestic company that has its home office in Mississippi pays one-half of these fees.

§ 45-11-5 Fire Department Funds

0.5% premium tax on gross premium receipts for fire insurance policies for state fire academy

0.5% premium tax on fire insurance policies for municipal fire protection fund and county volunteer fire department fund

§§ 21-29-229; 21-29-233 Municipal Employee's Retirement (Fire and Police Employees)

0.5% premium tax on all insurers transacting fire and lightning insurance in Mississippi to support fund. Applicable only within city of Jackson.

§ 83-3-9 Insurance Rating Bureau Expenses

Rating bureau expenses not covered by user fees shall be assessed annually to companies writing fire insurance.

§ 83-5-72 Insurance Department Fund—Life, Health & Accident, Health Maintenance Organization

All insurers and health maintenance organizations shall be required to pay an amount each year for the expenses of the department, including actuarial assistance. The total to be collected shall not exceed \$750,000 per year. The minimum annual assessment per company is \$100.

§ 83-2-33 Insurance Department Fund—Property and Casualty

All property and casualty insurers shall be required to pay an amount each year for the expenses of the department, including actuarial assistance. The total to be collected shall not exceed \$750,000 per year. The minimum annual assessment per company is \$100.

§ 83-9-217 Comprehensive Health Insurance Risk Pool Association

Each insurer shall be assessed an amount not to exceed \$3 per covered person insured or reinsured by each insurer per month. There shall not be such assessment on any insurer on policies or contracts insuring federal or state employees.

§ 27-7-5 Income Tax

Net income taxed at rate of 3% on \$1,000 of first \$5,000 taxable income; 4% of next \$5,000 of taxable income and 5% of excess over \$10,000. Income tax code gives specifics on how to arrive at net income.

Other Taxes and Assessments (cont.)

§ 71-3-99 Workers' Compensation Fund Administration

Shall assess each carrier writing workers' compensation insurance and self-insurers \$250 for administrative expenses of workers' compensation fund, plus an amount prorated among carriers writing compensation insurance and self-insurance.

§ 71-3-73 Second Injury Fund

The employer, or if insured, the compensation insurers shall pay \$300, or \$500 when there is no dependent, to the fund in every case of compensable death. Contributions may be suspended when the fund reaches the specified level of \$350,000.

§ 83-23-115 Mississippi Insurance Guaranty Association

The association may assess insurers who are members of the association no more than 1% net direct written premiums for the preceding calendar year in the event of an insolvency.

§ 83-34-4 Nonadmitted Policy Fee, Windstorm Underwriting Association

There is a 3% nonadmitted policy fee to be assessed on all premiums collected for all insurance written by a surplus lines insurance producer for any and all risks in this state.

§ 83-23-217 Life and Health Guaranty Association

The total of all non pro rata assessments shall not exceed \$300 per member insurer in any one calendar year. Assessments for insolvencies or impairments may not exceed 2% of member insurer's average annual premiums received in Mississippi during the three calendar years preceding the year in which an insurer becomes impaired or insolvent.

Exclusions and Deductions:

§§ 83-29-57; 83-30-47 Fraternal

Fraternal are exempt from payment of the premium tax.

§§ 27-15-103; 27-15-109

Premium tax not charged on premiums collected for furnishing life or health coverage under state employees group plan.

§§ 83-61-7(c); 83-61-11 Voluntary Basic Health Insurance Coverage

Contracts covering individuals who have been without private health coverage for the prior 12 months preceding application to the program or whose family income does not exceed 150% of the federal poverty level are exempt from the premium tax.

Credits:

§ 27-15-129

A tax credit is available for qualified Mississippi investments.

| Percentage of Total Admitted Assets in Qualifying Mississippi Investments | Percentage of Premium Tax Payable |
|--|--|
| 1% | 99% |
| 2% | 98% |
| 3% | 97% |
| 4% | 96% |
| 5% | 95% |
| 6% | 94% |
| 7% | 93% |
| 8% | 92% |
| 9% | 91% |
| 10% | 80% |
| 15% | 70% |
| 20% | 60% |
| 25% | 50% |

§ 27-15-103 Income Tax

Premium tax may be reduced by income tax paid for the preceding calendar year.

§ 27-15-109 Retaliatory Tax

Domestic insurer may take a credit against their taxes for the retaliatory taxes they pay under retaliatory laws of other states.

§ 83-23-218 Life and Health Guaranty Association

Assessments may be offset against tax liability to the extent of 20% per year for five years beginning the year after assessment.

§ 27-15-133 Coast Area Credit

Premium taxes may be reduced by 10% of the premiums received from new policies written or covering risks for essential property insurance within the coast area. Essential property only includes windstorm and hail on real property and/or contents. The coastal area is the counties of Hancock, Harrison, Jackson, Stone, Pearl River and George. The 10% reduction cannot be greater than \$100,000.

Credits (cont.)

§ 27-15-103; TB 80-501-19-1 Eligible Charitable Business Contribution Tax Credit

A credit is allowed for voluntary cash contributions during the taxable year to an eligible charitable organization (ECO). The amount of credit that may be utilized in a taxable year shall be limited to an amount not to exceed 50% of the total tax liability of the business enterprise.

§ 57-105-1 New Markets Credit

For any equity investment issued prior to July 1, 2008, premium taxes may be reduced by 1.3% for years two through seven. For any equity investment issued after July 1, 2008, premium taxes may be reduced by 8% for the first three years. New markets credit may be subject to recapture if all credit provisions are not maintained. The Mississippi Development Authority shall not allocate any credits under this section after July 1, 2024.

§§ 57-115-1 to 57-115-11 Small Business Investment

Insurance companies may claim a credit against the insurance premiums tax for making qualified investments in small business investment companies. When the insurance company invests the capital, it may earn a credit equal to 100% of the investment made. The credit cannot be refunded but may be carried forward for five years. For each \$150,000 of credit taken by the insurance company, a new job paying at least 125% of the state average annual wage must be created and maintained for three years. The insurance company may not own more than 15% of the voting ownership interest in a small business investment company, manage it or control the investments. (Effective July 1, 2011.)

→ H.B. 1685 (2022) Pregnancy Resource Act

A business enterprise may claim an insurance premium tax credit for voluntary cash contributions made during the taxable year to an eligible IRC 501(c)(3) tax-exempt pregnancy resource center or crisis pregnancy center. The amount of credit that may be utilized in a taxable year shall be limited to an amount not to exceed 50% of the total tax liability of the business enterprise.

Payment Due Dates:

§ 27-15-107

Tax on the gross amount of premiums is due each period. The return for the 1st period (Jan.–Mar.) is due April 20; 2nd period (April–May) is due June 20; 3rd period (June) is due July 20; 4th period (July–Sept.) is due Oct. 20; 5th period and annual reconciliation are due Mar. 1.

Penalties:

§ 27-15-113

Penalty of 10% of amount due plus interest at rate of 1% per month until paid.

Extensions:

None specified in the statute.

Retaliatory Law:

§§ 27-15-123; 27-15-125

When any other state charges Mississippi insurers or representatives any taxes, licenses or fees, in the aggregate, or fines, penalties, deposit requirements, etc., which exceed those Mississippi charges similar insurers or representatives, retaliation will occur. Any tax or fee charged by a political subdivision shall be deemed imposed by the state. This shall not apply to personal income taxes, nor to ad valorem taxes on real or personal property nor to special purpose assessments except those on property insurance.

FEES

Retaliation is on an aggregate basis on the tax return. If no fee is listed for a form or procedure, no retaliatory fee is charged, but the fee in the domicile state may not be included in the retaliatory computation.

Insurers' Fees:

Department Schedule of Fees (summarizes code sections)

Admission of new foreign company:

File preliminary statement and charter..... \$1,000

Domestic formation:

File organizational articles of incorporation for approval..... 200

License:

Single line license fee (P&C, LA&H) (domestic) 100

Single line license fee (P&C, LA&H) (foreign) 200

Multiple line (P&C) (domestic) 175

Multiple line (P&C) (foreign) 350

Title insurers license fee (domestic) 100

Title insurers license fee (foreign) 200

Fraternal (domestic) 25

Fraternal (foreign) 50

Amendments:

Company license (other than HMO) 25

Company license (HMO) 50

Charter/articles 50

By-laws 50

Insurers' Fees (cont.)

Department Schedule of Fees (summarizes code sections) (cont.)

Form filing—life, accident and health and annuity companies:

| | |
|---|------|
| Each individual policy contract, including revisions | \$15 |
| Each group master policy or contract, including revisions | 15 |
| Each rider, endorsement or amendment, etc | 10 |
| Each insurance application where written application is required and is to be made a part of the policy or contract..... | 10 |
| Each questionnaire | 7 |
| Charge for resubmission where payment is not included with original submission..... | 5 |
| Additional charge for tentative approval | 5 |
| Credit life/health & accident and Medicare rate filings; informational purposes on all other A&H lines | 50 |
| Advertising | 50 |
| Medicare Supplement and Long-Term Care..... | 50 |

Property and casualty companies:

| | |
|---------------------------|----|
| Rate or form filings..... | 15 |
|---------------------------|----|

Annual statement:

| | |
|---|-----|
| File and audit fee..... | 500 |
| File and audit fee (small fraternal)..... | 10 |
| Publishing fee | 80 |
| Certificates of compliance, deposit or valuation, nonresident (each)..... | 50 |
| Quarterly statements | 50 |

Health maintenance organizations (§ 83-41-347):

| | |
|---|-------|
| Application for certificate of authority | 5,000 |
| Amendment to organization documents for approval..... | 50 |
| Amendment for information only | 25 |
| Annual statement | 500 |
| Annual renewal of certificate..... | 500 |
| Policy forms, certificate, riders, rates | 15 |

Miscellaneous services:

| | |
|---|-------|
| Service of process | 50 |
| Commissioner of insurance | 50 |
| An additional resident | 50 |
| Seal..... | 20 |
| Certification of insurance company license..... | 40 |
| Certificate of authority to each general, district agent or manager..... | 25 |
| Certificate of authority to each local or canvassing agent | 25 |
| Merger or assumption agreements (each) | 50 |
| Domestic Form A Holding Company Registration..... | 2,000 |
| Domestic Holding Company Registration Form Filing—other than Form A | 50 |
| Filing any other papers required by law..... | 50 |

→ Producer Licensing Fees:

Department Schedule of Fees (summarizes code sections)

Insurance producer (property, casualty, life, accident and health, personal lines, variable annuities and variable contracts):

Individuals:

| | |
|------------------------------------|-------|
| Original license..... | \$100 |
| Biennial renew (birth month) | 100 |

Business Entities:

| | |
|------------------------------|-----|
| Original license..... | 200 |
| Biennial renew (May 31)..... | 200 |

Limited lines insurance producer (title, crop, surety, car rental, trip accident and baggage, industrial life, industrial fire):

Individuals:

| | |
|------------------------------------|-----|
| Original license..... | 100 |
| Biennial renew (birth month) | 100 |

Business Entities:

| | |
|------------------------------|-----|
| Original license..... | 200 |
| Biennial renew (May 31)..... | 200 |

Limited line credit insurance producer (credit):

Individuals:

| | |
|------------------------------------|-----|
| Original license..... | 100 |
| Biennial renew (birth month) | 100 |

Business Entities:

| | |
|------------------------------|-----|
| Original license..... | 200 |
| Biennial renew (May 31)..... | 200 |

Limited line travel insurance producer (travel):

Individuals:

| | |
|------------------------------------|-----|
| Original license..... | 100 |
| Biennial renew (birth month) | 100 |

Limited lines travel insurance producer business entity:

| | |
|-------------------------------|-----|
| Original license | 200 |
| Biennial renew (May 31) | 200 |

Portable electronics insurance producer business entity (§ 83-73-13):

| | |
|----------------------------------|-------|
| Original license | 5,000 |
| Biennial renewal (Dec. 31) | 5,000 |

Third-party administrators (§ 83-18-3):

| | |
|------------------------|-----|
| Original | 200 |
| Renewal | 100 |
| Annual statement | 100 |

Producer Licensing Fees (cont.)

Department Schedule of Fees (summarizes code sections) (cont.)

Transportation Network Company (§ 77-8-5):

| | |
|----------------|---------|
| Original | \$5,000 |
| Renewal | 5,000 |

Adjuster:

Public Adjusting Entities (§ 27-15-97):

| | |
|--------------------------------|-----|
| Original license..... | 400 |
| Biennial renewal (May 31)..... | 400 |

Independent Adjusters:

| | |
|--------------------------------------|-----|
| Original license..... | 100 |
| Biennial renewal (birth month) | 100 |

Independent Adjuster Entities:

| | |
|--------------------------------|-----|
| Original license..... | 400 |
| Biennial renewal (May 31)..... | 400 |

Independent Adjusters:

| | |
|--------------------------------------|-----|
| Original license..... | 100 |
| Biennial renewal (birth month) | 100 |

DEPOSITS

§ 83-7-21 Reserve Liabilities

Domestic life insurers shall make deposit of \$100,000.

§ 83-19-31 Capital Required for Various Classes of Companies

Domestic insurers shall make a deposit of 50% of capital stock required.

§ 83-21-3 Requirements for Admission

No foreign stock, mutual, or reciprocal insurance company or association, incorporated or organized under the laws of any state of the United States, shall be admitted doing business, or granted a certificate of authority, or have license therefore renewed until such company shall have deposited with the state treasurer of this state securities in an amount not less than \$50,000.00. Securities deposited in accordance with this section shall be classified as admitted assets for the purpose of determining eligibility of such securities. Provided, however, any company maintaining a deposit with the insurance regulatory authority or any other designated public official of its state of domicile, or of any other state, in trust for the benefit of all its policyholders, or policyholders and creditors, may be exempt from the deposit herein provided upon such company delivering to the insurance commissioner a certificate to such effect, duly authenticated by the appropriate state official holding such deposit. The commissioner may require in addition to the certification of deposit by the public official of its state of domicile an amount not less than \$50,000 be deposited with the state treasurer of this state.

CONTACT PERSON

Department of Revenue

Derrick Barnes, Miscellaneous Tax Bureau Director
(601) 923-7083; derrick.barnes@dor.ms.gov

Insurance Department

Beth Reiss, Communications Director
(601) 359-2403; beth.reiss@mid.ms.gov

Workers' Compensation Commission

Inez Hankins
(601) 987-4200; ihankins@mwcc.ms.gov

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MISSOURI

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Mo. Stat. §§ 148.320; 148.340; 148.370

Direct premiums received, minus return premiums and dividends.

§ 148.390

Premiums received for annuities are not taxed nor are premiums from policies issued in connection with qualified retirement plans.

Tax Rate:

§§ 148.320; 148.340; 148.370

2% domestic and foreign insurers

§ 375.1085

Risk retention groups taxed same as admitted insurers.

Captive companies are not subject to retaliatory tax.

Other Taxes and Assessments:

§ 287.690 Workers' Compensation Administrative Tax

Pay not more than 2% tax on workers' compensation premiums in lieu of regular premium tax to administer workers' compensation program. The tax rate for 2022 was 1%.

§§ 287.716; 287.717 Workers' Compensation Administrative Surcharge

An annual administrative surcharge shall be collected from deductible plan policyholders and submitted by the insurer for all workers' compensation policies with a deductible option that are written on or after Jan. 1, 2004. The administrative surcharge owed is based upon the total premium which would have been paid for the deductible credit portion of the policy. The rate for 2022 was 1%.

Other Taxes and Assessments (cont.)

§ 287.715 Second Injury Fund Surcharge and Supplemental Surcharge

Every authorized self-insured and workers' compensation insured shall pay an annual surcharge at the rate not to exceed 3% of the policyholder's or authorized self-insurer's workers' compensation net deposits, net premiums or net assessments. The surcharge rate for 2022 was 3%.

Notwithstanding the foregoing paragraph, every authorized self-insured and workers' compensation insured shall pay a supplemental surcharge for calendar years 2014 to 2021 not to exceed 3% of the policyholder's or authorized self-insurer's workers' compensation net deposits, net premiums or net assessments. The supplemental surcharge rate for 2022 was 3%.

Not included in retaliatory tax computations. Assessments are not imposed on insurers but collected by insurers and remitted.

§ 376.973 Health Insurance Pool

Health insurers, nonprofit health service plans, HMOs and other insurance arrangements may be assessed for losses of the pool.

§ 383.160 Medical Malpractice Joint Underwriting Association

Assessments may be made against insurers writing liability insurance not to exceed 1% net direct written premium. No assessment for 2022.

§ 375.775 Property and Casualty Guaranty Association

The association may assess member insurers an amount no greater than 2% of the net direct written premiums for the lines of insurance in the account with the deficiency.

§§ 376.735; 376.737 Life and Health Guaranty Association

The association may assess members no more than \$150 per year for administrative expenses plus no more than 2% average premiums for the last three years on the kinds of policies in the account with the deficiency.

§ 148.440 Municipal Tax

Any city of more than 500,000 may levy an occupation tax of not more than \$200 on fire insurance companies and \$100 on other insurers. Cities with populations between 100,000 and 500,000 may levy a tax of \$200 for fire insurers and \$100 for other insurers for each agent, agency or office doing insurance business in the city.

Exclusions and Deductions:

§ 378.624 Fraternal

Fraternal are exempt from all taxes other than on real and personal property.

§ 148.390 Group Health Insurance

May exclude from gross amount of premiums received for group health insurance for employers and union groups, the group health benefits paid for members of employer and union groups.

§ 354.130 Health Service Corporations

Health service corporations shall be exempt on all taxes with respect to its membership dues, fees and other income and shall be exempt from all franchise taxes and license fees except as specified in §§ 354.010 to 354.380.

Crop Insurance

Missouri will no longer tax premiums on federally reinsured crop insurance.

Credits:

§§ 32.110 to 32.115 Neighborhood Assistance Act

A credit against the premium tax is allowed for up to 50% (70% in some cases) of money contributed to activities listed that provide revitalization, job training and community service. The credit may not exceed \$250,000 per year except for programs in blighted areas. The total tax credit allowed all business firms may not exceed \$32 million.

§§ 67.3000 to 67.3005 Amateur or Special Sporting Event

The act also creates an income, financial institutions, and corporate franchise tax credit equal to 50% of the amount of an eligible donation made, on or after Jan. 1, 2013, to a certified sponsor or local organizing committee for the purposes of attracting sporting events to the state. The tax credit is non-refundable but may be carried forward two years. The tax credit is transferable.

§ 148.400 Tax Credits

May deduct these from Missouri premium taxes payable: income taxes, franchise taxes, personal property taxes, valuation fees, registration fees, and expenses of Missouri examination.

§ 100.286 Infrastructure Development Fund, Development and Reserve Fund, Export Finance Fund

Insurers may take a credit against their taxes in the amount of 50% of the amount contributed. The portion of the earned tax credits which exceeds taxpayer liability may be carried forward up to five years.

Credits (cont.)

§ 100.850 Industrial Development

Any approved company that has paid a job development assessment fee shall be allowed a credit equal to the amount of the assessment. The aggregate amount of tax credits authorized may not exceed \$25 million annually.

§ 100.297 MO Bonds Guarantee

An owner of any revenue bonds or notes issued for infrastructure facilities may be allowed a tax credit in the amount of 100% of the unpaid principle of and an unpaid interest on such bonds. The aggregate available may not exceed \$50 million.

§ 135.110 New Business Facility Credit

Each insurer that establishes a new business facility shall be allowed a credit against its premium tax in an amount determined by the provisions of the statute for various situations.

§ 135.327 Special Needs Child

Tax credit, not to exceed \$10,000 per child, for business entity that provides funding to an employee of company for non-recurring adoption expenses of special needs child.

§§ 135.350; 135.352 Low-Income Housing Credit

An insurer owning an interest in a qualified Missouri low-income housing project shall be allowed a state premium tax credit in an amount up to or equal to the federal low-income housing credit.

§ 135.225 Enterprise Zone; Urban Redevelopment

Credits are allowed for new business facilities within an enterprise zone: \$400 for each new business facility employee, \$400 for each 12-month period the employee is a resident of an enterprise zone, plus additional credits as specified.

§ 135.403 Investment in Small Business

A qualified investment in a Missouri small business will entitle the investor to a credit of 40% (sometimes 60%) of the investment. The total amount of credits shall not exceed \$13 million.

§ 135.460 Youth Opportunities and Violence Prevention Act

A taxpayer is entitled to a credit in the amount of 30% of property contributions and 50% of monetary contributions to programs described in this act. The credit per year is not to exceed \$200,000 per taxpayer.

Credits (cont.)

§ 135.503 Investment of Certified Capital

An investor earns a vested credit against premium tax liability equal to the applicable percentage of the investor's investment in certified capital. Up to 10% of the vested credit may be used in a taxable year. The cumulative cap on the issuance of this tax credit has been exhausted, and less than \$1,000,000 is estimated to remain outstanding.

§ 135.535 Operation in a Distressed Community

A business moving its operation into a distressed community, or that commences operations in a distressed community, is entitled to a credit of 40% of the funds expended for computer equipment up to a maximum of \$75,000 per year for three years after moving to or commencing business in the distressed community. A business already located in a distressed community, which has no more than 100 employees, funding specified equipment in an amount exceeding the two prior years, is entitled to a credit of \$75,000 or 25%, whichever is less, against premium taxes.

§ 135.545 Transportation Development

Insurers may take a 50% credit for a qualified investment in transportation development that is part of an approved plan for a distressed area.

§ 135.550 Domestic Violence Shelters

An insurer can take a credit for 50% of the amount contributed to a shelter for victims of domestic violence.

§ 135.600 Maternity Home Facilities

Insurers may claim a credit up to 50% of the contribution to a maternity home.

§ 135.1150 Residential Treatment Agency

An insurer can take a credit for 50% of the amount of an eligible donation.

§ 135.1180 Developmental Disability Care Provider Tax Credit Program

An insurer can take a credit for 50% of the amount of an eligible donation.

§ 135.750 Film Production Investment

A taxpayer shall be granted a tax credit against the tax for up to 50% of the amount of investment in production or production-related activities in a qualified film production project.

§ 253.550 Historic Preservation

Insurers may take a credit of 25% of the cost of rehabilitation of historical structures.

Credits (cont.)

§ 348.302 Economic and Technological Innovations

Insurers are entitled to a credit equal to 50% of the qualified contribution. The aggregate credit is \$9 million.

§ 348.430 Agricultural Utilization

An insurer who contributes to the Missouri Agricultural and Small Business Development Authority is allowed a credit in an amount up to 100% of contribution.

§ 348.432 New Generation Cooperative Incentive

Producer members are eligible for a tax credit for investing in new generation processing entities. The credit may be the lesser of 50% of the member's cash investment or \$15,000, except for any proration of the member's tax credits.

§ 447.708 Redevelopment Projects

Credits are available for creation of new jobs in enterprise zones.

§ 620.495 Small Business Incubator

Taxpayer is entitled to a tax credit in an amount of 50% of any amount contributed by the taxpayer to the Missouri Small Business Incubators Fund during the taxpayer's tax year or to a local sponsor.

§ 620.650 New Enterprise Creation

Taxpayer shall receive a tax credit in an amount equal to 100% of the qualified contribution to the qualified fund.

§ 620.1039 Qualified Research

Insurers are eligible for a tax credit for an amount up to 6.5% of the excess of qualified research expenses over that of the past three years.

§ 376.975 Health Insurance Pool

Assessments made by the health insurance pool may be offset against premium tax for the year paid, with a credit to future years if the amount exceeds the current year's premium tax.

§ 383.160 Medical Malpractice Joint Underwriting Association

Assessments made against insurers may be credited against past or future premium taxes not yet paid.

Credits (cont.)

§ 376.745 Life and Health Guaranty Association

Assessments may be offset against premium tax at a rate of 20% per year for five years beginning the year after the assessment was paid. Assessments for administrative expenses may not be offset.

§ 375.774 Property and Casualty Guaranty Association

Assessments may be taken as a credit against the premium tax at a rate of 33.33% per year for three years beginning the year after the assessment was paid.

§ 135.621 Contributions to Diaper Banks

Taxpayers may claim the credit in fiscal years beginning on or after July 1, 2019. The credit may offset insurance premiums tax. The credit equals 50% of the contribution (minimum \$100 contribution) to a diaper bank. The maximum credit is \$50,000 per taxpayer per year. The state must issue credits in the order of contributions. This credit provisions will expire on December 31, 2024.

§ 135.1125 Unmet Health, Hunger, and Hygiene Needs of Children in School Tax Credit

Taxpayers may claim the credit for tax years beginning on or after January 1, 2019. The credit may offset insurance premiums tax. The credit equals 50% of the donation amount. Taxpayers may carry over the excess to the next four years. Taxpayers may assign, transfer, or sell the credit. These credit provisions will expire on December 31, 2024.

→ § 348.491 Agricultural Crops Loan Program

Missouri will allow a tax credit to lenders participating in the state's newly created specialty agricultural crops loan program. The credit may be used to offset a lender's insurance tax liability.

Payment Due Dates:

§§ 148.330; 148.350; 287.710

Return due Mar. 1. Quarterly installments of 25% of the prior year's tax are due Mar. 1, June 1, Sept. 1 and Dec. 1.

Penalties:

→ §§ 148.375; 148.380; 32.065

If a quarterly estimate is not paid, the director of insurance shall suspend a company until it is paid. The interest rate varies each year. The rate for delinquent amounts for 2022 was 3% per annum.

§ 287.745

The interest on workers' compensation late payments is 1.5% per month or fraction of month delinquent.

Extensions:

No specific provision for extensions.

Retaliatory Law:

§ 375.916

If premium taxes or any fees, licenses, penalties, deposit requirements or other obligations imposed on Missouri insurers are greater, in the aggregate, than the taxes, fees, licenses, penalties and other requirements Missouri charges similar insurers, retaliation will occur. Any tax, license or fee imposed by any political subdivision shall be considered imposed by the state for purposes of retaliation. This section shall not apply to ad valorem taxes on real or personal property, personal income taxes, or to assessments or credits due to payment of claims of insolvent insurers. An insurance company claiming a state premium tax credit or deduction shall not be required to pay any additional retaliatory tax levied pursuant to this section as a result of claiming such credit or deduction.

§ 375.017

The department shall not assess a greater fee for an insurance license or related service based solely on the fact the person is not a resident. The license requirements and continuing education requirements are considered satisfied if the nonresident's state is reciprocal.

FEES

All taxes and fees are aggregated on the tax return.

→ Insurers’ Fees:

→ §§ 374.230; 376.1092; 376.1093; 354.704; 354.705.2; 354.495; 610.026; 375.018; 20 CSR 200-2.100; 20 CSR 400-8.200

| | |
|---|-------|
| Copy of certificate of authority..... | FREE |
| P&C rate, rule or form filing..... | \$150 |
| L&H rate or form filing | 150 |
| Domestic admission..... | 1,000 |
| Foreign admission..... | 1,000 |
| Annual renewal—P&C, L&H, qualified and accredited reinsurers..... | 2,000 |
| TPA admission..... | 1,000 |
| TPA annual report..... | 250 |
| TPA renewal | 250 |
| Purchasing group admission | 100 |
| Qualified reinsurer admission..... | 1,000 |
| Accredited reinsurer admission..... | 1,000 |
| Prepaid dental admission | 200 |
| Prepaid dental renewal..... | 50 |
| HMO admission..... | 1,000 |
| HMO renewal | 2,000 |

Miscellaneous services:

| | |
|------------------------------------|---|
| Copies | 0.10 per page + hourly fee for duplicating time |
| For affixing seal..... | FREE |
| Accepting service of process | FREE |

Producer Licensing Fees:

§§ 375.015; 375.018

Business entity:

| | |
|---|-----|
| Producer application license (agency license) | 100 |
| Biennial renewal fee | 100 |

Producer application fee:

| | |
|----------------------------|-----|
| Initial fee..... | 100 |
| Biennial renewal fee | 100 |

DEPOSITS

§ 376.290 Trust Deposits for Life and Accident and Health Insurers

Deposit \$600,000 with director.

§ 379.098 Securities Deposits for Insurers Other than Life

If a stock company, deposit amount of minimum capital.

If mutual insurer, amount equal to the amount required to be deposited by a stock company transacting the same kind of business; however not to exceed policyholder's surplus as required by law.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

CONTACT PERSON

Noland Stuecken: (573) 526-4986; noland.stuecken@insurance.mo.gov

Tammy Pollreisz: (573) 751-1929; tammy.pollreisz@insurance.mo.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

MONTANA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Mont. Code Ann. § 33-2-705

Total direct premium, including policy, membership and other fees and consideration received after deducting cancellations, returned premium, and policy dividends. As to title insurance, “premiums” include the total charge for such coverage. Consideration received on annuities is not subject to tax.

Tax Rate:

§ 33-2-705

2.75%

0.75% on policies of legal professional liability insurance

§ 33-11-104

Risk retention group taxed same as foreign admitted insurers.

Other Taxes and Assessments:

§ 50-3-109 Tax on Fire Insurance Premiums

Tax of 2.5% on fire insurance premiums in addition to regular premium tax.

§ 33-2-712 Genetics Program

Insurers pay a charge of \$1.00 for each Montana resident insured under any individual or group disability or health insurance policy for the purpose of funding a genetics program. This is in addition to regular premium taxes.

§ 39-71-201 Workers’ Compensation Administrative Fund

Assessment of insurers is up to 4% based on paid losses in the preceding calendar year; and except for medical benefits in excess of \$200,000 for each occurrence that are exempt from assessment, total medical benefits paid for medical treatment rendered to an injured worker, including hospital treatment and prescription drugs. Insurers collect an amount equal to the assessment through a surcharge based on premium, and the amount of the surcharge is not included in the definition of premium for premium tax purposes. The surcharge must be identified as “workers’ compensation regulatory assessment surcharge.” The assessment is paid to department of labor and industry. Not included in Montana calculations of retaliatory taxes.

Other Taxes and Assessments (cont.)

§ 33-28-201 Captives

Direct Insurance (due Mar. 1)

| Premiums | Rate |
|----------------------------------|---|
| first \$20 million | 0.4% |
| each subsequent dollar collected | 0.3% |
| | There is a minimum annual tax of \$5,000 and a maximum annual tax of \$100,000. |

Reinsurance Assumed (due Mar. 1)

| Premiums | Rate |
|----------------------------------|---|
| first \$20 million | 0.225% |
| next \$20 million | 0.15% |
| each subsequent dollar collected | 0.05% |
| | There is a minimum annual tax of \$5,000 and a maximum annual tax of \$100,000. |

§ 39-71-915 Workers' Compensation Subsequent Injury Fund

Assessments of insurers are based on total compensation benefits paid; and except for medical benefits in excess of \$200,000 per occurrence, that are exempt from assessment, total medical benefits paid for medical treatment rendered to an injured worker, including hospital treatment and prescription drugs. Insurers collect an amount equal to the assessment through a surcharge based on premium, and the amount of the surcharge is not included in the definition of premium for premium tax purposes. The surcharge must be identified as "workers' compensation subsequent injury fund surcharge." The assessment is paid to the Department of Labor and Industry. Not included in Montana calculations of retaliatory taxes.

§ 39-71-1004 Industrial Accident Rehabilitation Account

Insurers shall be assessed an amount not exceeding 1% of the compensation paid to injured employees it insured in Montana during preceding calendar year in addition to premium taxes. Paid to Department of Labor and Industry. Not included in Montana calculation of retaliatory taxes.

§ 33-10-116 Property and Casualty Guaranty Association

Association may assess members no more than 2% net direct written premium on the types of insurance covered by the association.

§ 33-10-227 Life and Health Guaranty Association

Association may assess an amount for administrative expenses. The total of all insolvency assessments for each account in any one calendar year may be no more than 2% of premiums on policies covered by that account assessed due to an insurer insolvency.

Other Taxes and Assessments (cont.)

§§ 33-2-705 and 33-2-707 Preemption

Premium tax or the annual dormancy tax shall be payment in full and is in lieu of any other taxes assessed by political subdivisions except for taxes on real and personal property. No county, city or other political subdivision may levy any taxes on insurers or their producers.

Exclusions and Deductions:

§ 33-7-410 Fraternal Benefit Societies

Fraternals are exempt from the payment of premium tax.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

There is no premium tax on federally reinsured crop insurance premiums.

Credits:

§ 33-10-230 Life and Health Guaranty Association

Class B insolvency assessments may be offset against premium taxes at rate of 20% per year for 5 years beginning with taxes incurred the year after the assessment was paid.

§ 33-2-724 Empowerment Zone Tax Credit

Employers are eligible for tax credits when increasing employment in designated empowerment zones.

Payment Due Dates:

§ 33-2-705

Report due Mar. 1.

Reg. 6.6.2704 to 6.6.2705

Insurers shall make quarterly payments due April 15, June 15, Sept. 15, and Dec. 15. The four equal payments shall be an amount calculated to pay 100% of the prior year's tax liability or 90% of the current year's tax obligation.

Penalties:

§ 33-2-705

May fine insurer who fails to pay tax due up to \$100 plus interest at a rate of 12% per annum. The commissioner may also suspend or revoke the certificate of authority.

Extensions:

No specific provision for extension.

Retaliatory Law:

§ 33-2-709

If taxes, license and other fees, in the aggregate, and any fines, penalties, deposits and other requirements imposed on Montana insurers and representatives exceed those Montana assesses against similar insurers or representatives, retaliation will occur. This does not apply to fees in connection with licensing producers, ad valorem taxes on real or personal property, or special purpose obligations or assessments imposed on particular kinds of insurance other than property insurance.

FEES

All annual fees and premium taxes are combined on the premium tax return and subject to retaliation. The domicile’s fee for an application for admission is compared with the Montana fee at the time of application.

Insurers’ Fees:

§ 33-2-708

Insurers pay an annual certificate of authority continuation fee of \$1,900, except insurers issuing policies of legal professional liability insurance pay \$500 (eff. April 30, 2015).

Producer Licensing Fees:

§§ 33-2-708; 33-17-1205

Resident insurance producer’s license:

| | |
|--|-----|
| Application for original license, including issuance of license, if issued | \$0 |
| Lapsed license reinstatement fee | 100 |

Nonresident insurance producer’s license:

| | |
|--|-----|
| Application for original license, including issuance of license, if issued | 100 |
| Biennial renewal of license | 50 |
| Lapsed license reinstatement fee | 100 |

Surplus lines insurance producer license:

| | |
|--|-----|
| Application for original license and for issuance of license, if issued..... | 50 |
| Biennial renewal of license | 100 |
| Lapsed license reinstatement fee | 200 |

Producer Licensing Fees (cont.)

§§ 33-2-708; 33-17-1205 (cont.)

Adjuster license:

| | |
|--|------|
| Application for original license | \$50 |
| Biennial renewal of license | 100 |
| Lapsed license reinstatement fee | 200 |

Viatical settlement broker’s license:

| | |
|--|-----|
| Application for original license | 50 |
| Biennial renewal of license | 100 |
| Lapsed license reinstatement fee | 200 |

Insurance consultant’s license:

| | |
|--|-----|
| Application for original license | 50 |
| Biennial renewal of license | 100 |
| Lapsed license reinstatement fee | 200 |

Rental car entity producer’s license (resident and nonresident):

| | |
|--|-----|
| Application for original license | 100 |
| Quarterly filing fee..... | 25 |

May be paid either by company or individual. Agent licensing fees are not subject to retaliation.

DEPOSITS

§ 33-2-111

Insurer should have on deposit an amount not less than the minimum capital (stock insurers) or minimum surplus (mutual insurer). Foreign insurers may present a certificate that they have a deposit in another state.

Title insurers shall deposit \$100,000. Foreign title insurers may also present a certificate that they have a deposit in another state.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

§ 33-2-416

Domestic life insurers shall deposit an amount not less than the required reserves for life insurance and annuities minus policy loans and may credit that against the deposit required above.

CONTACT PERSON

Examinations Bureau

Kari Leonard: (406) 444-2895; kleonard2@mt.gov

Licensing Bureau

David Dachs: (406) 444-9722; Ddachs@mt.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

NEBRASKA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Neb. Rev. Stat. § 77-907

Premiums means consideration paid to insurance companies for insurance, minus returned premium and dividends, and shall include policy fees, assessments, dues or other similar payments, except that premiums on all annuity contracts and pension, profit sharing, individually sponsored retirement plans and other pension plans described in I.R.C. § 818(a) are exempt from taxation. Do not include annuity considerations or reinsurance premium.

Tax Rate:

§ 77-908

Every insurance company which is transacting business in Nebraska shall pay a tax of 1% of the gross amount of direct written premiums received during the calendar year for business done in Nebraska, except that the following are set at a specific rate:

0.5% Group accident and health.

0.25% Captive insurers authorized under the Captive Insurer Act to transact business.

§ 44-4406

Risk retention groups subject to taxation at the same rate as a foreign admitted insurer.

Other Taxes and Assessments:

§ 81-523 Fire Insurance Tax Fund

Additional 0.75% tax on fire insurance business for fund due from foreign insurers and 0.375% due from domestic insurers.

§ 35-106 Municipality Tax to Benefit Fire Departments

Municipal authorities may assess an occupation tax of no more than \$5 per year on fire insurance companies to benefit volunteer fire departments.

→ § 44-6606 Insurance Fraud Assessment

Each Mar. 1, every insurer shall pay an assessment of not more than \$200 for the purpose of funding fraud investigation by the insurance department. The 2021 assessment was \$100. The 2022 assessment is \$100.

Other Taxes and Assessments (cont.)

§§ 48-1,113 to 48-1,117 Compensation Court Cash Fund

To aid in administering the workers' compensation law, every insurer transacting compensation insurance shall pay 1% of gross premiums written in state. Yearly assessment may be abated if balance in the fund equals three times prior year's expenses.

§ 44-3110 Professional Association Mutual Administrative Fee

Each professional association mutual insurance company licensed under this act shall pay a fee of 0.3% of direct written premiums in addition to the premium tax.

→ §§ 77-2734.02; 77-2734.03 Corporate Income Tax

Insurers are subject to a tax of 5.58% on the first \$100,000 of taxable income and at a rate of 7.50% on income above \$100,000. The insurer will pay a lower rate if it is domiciled in a state with such a lower rate that would retaliate against Nebraska domiciled insurers for a higher income tax. An insurer may take a credit against this tax for the premium tax it has paid. A credit is also allowed for assessments paid to the Comprehensive Health Insurance Pool to the extent allowed as an offset against premium and related retaliatory taxes.

§§ 44-4220; 44-4225; 44-4233 Comprehensive Health Insurance Pool

Any premium and related retaliatory taxes paid by insurers writing health insurance in this state shall be remitted to the state treasurer for credit to the health pool distributive fund.

§§ 44-2401 to 44-2418 Property and Casualty Guaranty Association

The association may assess insurers a maximum of 1% of net direct written premiums for insurance in the account with the deficiency plus an assessment of no more than \$50 per year for administrative costs.

§§ 44-2701 to 44-2720 Life and Health Guaranty Association

The association may assess insurers a maximum of 2% of premiums for kinds of insurance in account being assessed, including an administrative expense assessment.

§§ 14-109; 15-202; 16-205; 17-525; 18-1208 City Taxes

Cities have authority to tax for revenue, license and regulate any insurer within the limits of the city by ordinance. Cities may assess a tax or license fee on insurers consistent with §§ 14-109 (cities of the metropolitan class), 15-202 (cities of primary class), 16-205 (cities of the first class), 17-525 (cities of the second class and villages), and 18-1208 (applies to all cities and villages). All taxes must be uniform in respect to the class upon which they are imposed. The Department does not actively track which cities levy taxes.

Exclusions and Deductions:

§ 44-1095 Fraternal

Fraternal are exempt from the payment of premium taxes.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

Nebraska is not compelling payment of premium taxes for federally reinsured crop insurance because of the 10th Circuit court ruling.

Credits:

§ 13-207 Community Development Assistance Fund

Any insurer which plans to or which has contributed to a certified program of community betterment organization may apply for a tax credit. The maximum tax credit allowed for each company shall not exceed 40% of the total amount contributed.

§ 44-2716 Life and Health Guaranty Association

An insurer may offset an association assessment against premium and retaliatory tax liability at a rate of 20% per year for five years beginning the year after the assessment paid.

§ 44-2407 Property and Casualty Guaranty Association

An insurer may offset an association assessment against premium and retaliatory tax liability at a rate of 20% per year for five years beginning the year after the assessment paid.

§§ 77-1101 to 77-1120 New Markets Job Growth Investment

Effective for tax years beginning on or after Jan. 1, 2012, insurance companies are allowed to claim nonrefundable, nontransferable tax credits for an investment in a qualified community development entity. The credit may be used against the corporate income tax imposed under § 77-2734.02 or premium and retaliatory tax liability due under §§ 44-101 to 44-165 or §§ 77-907 to 77-918. Credits are not allowed for the first two years of investment and are then allowed for the next five. In the third year, the credit is 7%, and then 8% for the next four years. The amount of the credit claimed must not exceed the amount of the taxpayer's tax liability for that tax year. The total amount of credits is limited to \$15 million in any fiscal year. Any taxpayer that claims a tax credit shall not be required to pay any additional retaliatory tax under § 44-150 as a result of claiming such tax credit. Any tax claimed under this section shall be considered a payment of tax for purposes of subsection (1) of § 77-2734.03.

Credits (cont.)

§§ 77-2901 to 77-2912 Job Creation and Mainstreet Revitalization Act

A tax credit against Nebraska insurance premium tax equal to 20% of eligible expenditures on qualified improvements to a historically significant real property. The amount of credit is 20% of eligible expenditures up to a maximum credit of \$1 million per project. History Nebraska may allocate \$15 million in tax credits (NHTCs) under the Job Creation and Mainstreet Revitalization Act each calendar year from 2015 through 2022. The tax credit is equal to 20% of eligible expenditures on qualified improvements to historically significant real property and is limited to \$1 million per project. An insurance company may earn NHTCs by incurring eligible expenditures after receiving an allocation and final project approval from History Nebraska. An insurance company may also obtain NHTCs by purchase, or through a distribution from a flow-through entity that holds NHTCs. Once an insurance company earns NHTCs or receives them through purchase or distribution, the insurance company may use NHTCs to offset premium tax imposed under §§ 44-101 to 44-165 and §§ 77-907 to 77-918 and corporate income tax imposed under § 77-2734.02.

§§ 77-2501 to 77-2507 Affordable Housing Tax Credit Act

Effective for tax years beginning on or after Jan. 1, 2019, insurance companies are allowed to claim a nonrefundable, tax credit under the Affordable Housing Tax Credit Act (AHTC) for a direct or indirect ownership interest in a qualified project that is placed in service after Jan. 1, 2018. An insurance company may claim the AHTC for the first six years of the “credit period” as defined in Section 42 of the Internal Revenue Code. If the amount of federal Low-Income Housing Tax Credit (LIHTC) allowed in the first year of the credit period is limited, the AHTC will be limited to that same amount. The amount of reduction in the AHTC from year one of the credit period may be claimed in year seven of the credit period.

The AHTC may offset the corporate income tax imposed under §§ 77-2715 or 77-2734.02 or the premium and retaliatory tax liability due under §§ 44-150 or 77-908. Any AHTC claimed and not used may be carried over until used.

Any insurance company claiming AHTCs will not be required to pay any additional retaliatory tax under § 44-150 as a result of claiming AHTCs. Any AHTC claimed under this is considered a payment of tax for purposes of subsection (1) of § 77-2734.03.

→ §§ 77-7001 to 77-7008 Nebraska Higher Blend Tax Credit Act

Any taxpayer who is a retail dealer and who sold and dispensed E-15 or higher blend on a retail basis during the prior calendar year through a motor fuel pump located at the taxpayer's retail motor fuel site shall be eligible to receive tax credits under the Nebraska Higher Blend Tax Credit Act (HBTC Act). An insurance company may also obtain HBTCs through a distribution from a flow-through entity that holds HBTCs. The HBTCs may be used by an insurance company on its Nebraska premium and income tax returns.

Payment Due Dates:

§§ 77-908; 77-918

Premium tax returns are due on or before Mar. 1 of each year. If an insurance company's tax liability for the previous year was \$4,000 or more, that company must make prepayments of the annual tax on or before April 15, June 15, and Sept. 15 of the current taxable year. The amount of the prepayment shall be at least one-fourth of either:

- (1) The total tax paid for the immediately preceding taxable year, or
- (2) 80% of the actual tax due for the current year.

Penalties:

§ 77-911

The department may rescind or refuse to reissue the license of any company which fails to remit its taxes. Interest on late payments assessed at a rate determined pursuant to § 45-104.02.

§ 45-104.02

Interest rate assessed on delinquent payment of taxes or special assessments owed to the State of Nebraska shall be determined by the Tax Commissioner and equal to the average short-term borrowing rate of the federal government during July of the previous year rounded to the nearest whole percentage point plus three percentage points.

§ 44-322(1)

A forfeiture of \$100 per day will be imposed for late filing of the annual statement, supplemental compensation exhibit, and other supplemental filings, including the premium tax return. In addition, the director may suspend or refuse to renew the company's certificate of authority until such filings are made.

Extensions:

§ 77-918; Bulletin CB-66

The Director, for good cause shown, may grant up to 10 days extension for payment of quarterly taxes.

Retaliatory Law:

§ 44-150

Any taxes, licenses, or other fees, in the aggregate, or any fines, penalties, deposit requirements, etc., as would be imposed on Nebraska insurers which would exceed those Nebraska imposes on insurers, agents or representatives of insurers domiciled in other states shall result in a retaliatory tax. Taxes imposed by political subdivisions are considered imposed by the state. This section does not apply to personal income taxes or ad valorem taxes on real or personal property or special purpose obligations, or assessments imposed by another state in connection with types of insurance other than property. In the case of merger or redomestication, the home state of the surviving company in a merger as of Dec. 31 at 11:59 p.m. is used for determining retaliatory taxes for the entire year.

§ 44-2417

Assessments made by guaranty funds of other states shall not be considered taxes, licenses or other fees for purposes of retaliation.

FEES

Insurers aggregate all fees and taxes on the premium tax return except for insurers domiciled in North Dakota and New Hampshire, where fees are considered on a fee-by-fee basis.

Insurers' Fees:

§§ 44-114; 44-2131; 44-4064; 44-8205; 44-8207; Bulletin CB-38 (Amended); Bulletin CB-82

Certificate of authority:

| | |
|--|-------|
| Organization and admission fees for domestic, foreign or alien insurers or rating bureaus | \$300 |
| Renewal of certificates of authority—domestic and foreign insurers, including rating bureaus..... | 100 |
| Renewal of certificates of authority—domestic assessment associations doing business in less than 31 counties..... | 20 |
| Renewal of certificate of authority—fraternals | 50 |
| Renewal of certificate of authority—prepaid limited health..... | 0 |
| Holding company initial fee..... | 1,000 |
| Holding company annual renewal fee, payable May 1 | 200 |
| Certificate of authority (amended)..... | 100 |
| Organization and admission fees for captive insurers | 500 |
| Renewal of certificate of authority—captive insurers | 500 |

Annual statements:

| | |
|------------------------------|-----|
| Annual statement filing..... | 200 |
| TPA annual report..... | 200 |
| Prepaid limited health | 50 |

Insurers' Fees (cont.)

§§ 44-114; 44-2131; 44-4064; 44-8205; 44-8207; Bulletin CB-38 (Amended); Bulletin CB-82 (cont.)

Admissions:

| | |
|---|-----------------|
| Pre-admission review (non-refundable)..... | \$1,000 |
| Filing certified copies of articles of merger of licensed company | 50 |
| Filing amendment to articles of incorporation..... | 20 |
| Filing restated articles of incorporation | 20 |
| Copies of official records or documents | (per page) 0.50 |

Producers' appointments:

| | |
|--|-----------|
| Producers' appointment (retaliatory provisions apply)..... | minimum 8 |
| Company certification..... | 5 |
| Termination of appointment | 3 |

Miscellaneous:

| | |
|--|-------|
| Resident and nonresident corporate surplus lines | 250 |
| Organization and admission fees for risk management pool (intergovernmental) | 1,000 |
| Cancellation of agent's appointment | 3 |
| Unincorporation mutual association report..... | 5 |
| Certificate of deposit, compliance, valuation, each | 5 |

Continuing education:

| | |
|---------------------------------------|----|
| Course approval (non-refundable)..... | 50 |
|---------------------------------------|----|

Producer Licensing Fees:

§ 44-4064; Bulletin CB-38 (Amended); Department website

Producer fees:

| | |
|---|----------------------|
| Resident producer's initial license | 50 |
| Resident producer's renewal license..... | 50 |
| Nonresident producer's initial license..... | 50 |
| Nonresident producer's renewal license | 50 |
| Resident and nonresident agency | 50 |
| Resident or nonresident consultant license | 50 |
| Consultant reinstatement (up to 12 months) | 90 plus application |
| Resident or nonresident consultant, corporate or partnership | 50 |
| Corporate Insurance consultant reinstatement (up to 12 months)..... | 100 plus application |
| Reinstatement fee..... | 90 |
| Reinstatement fee (after 31 days and before 12 months)..... | 90 plus application |
| Surplus lines license (individual and corporate) | 250 |
| Surplus lines late renewal fee | 100 plus license fee |
| Surplus lines reinstatement (up to 12 months)..... | 350 plus application |
| Utilization review certificate of authority | 300 |
| Reinsurance intermediary | 250 |
| Business entity license | 50 |
| Business entity late renewal fee | 50 |

Producer Licensing Fees (cont.)

§ 44-4064; Bulletin CB-38 (Amended); Department website (cont.)

Individual licenses paid biennially, all others annually. May be paid by producer or company under producer appointments.

Appointment fees are retaliatory based on the domicile state of the appointing insurer.

DEPOSITS

§ 44-319.02

Every domestic insurer shall maintain a deposit of \$100,000 with the Department of Insurance.

§ 44-319.06

Foreign insurers shall maintain deposit of not less than \$100,000 with department of this state or another.

→ **CONTACT PERSON**

Kristy Hadden: (402) 471-0373; doi.premiumtax@nebraska.gov

→ Corporate Tax

Tom Milburn: (402) 471-5814; tom.milburn@nebraska.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

NEVADA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Nev. Rev. Stat. § 680B.025

Total income derived from direct premiums written either upon receipt or upon the actual application of the money to the purchase of annuities, but any interest credited to money accumulated while under the latter alternative must also be included in total income derived from direct premiums written, and any money taxed upon receipt, including any interest later credited thereto, is not subject to taxation upon the purchase of annuities. Each life insurer shall signify on its return covering premium for the calendar year or the first calendar year it transacts business in this state, whichever is later, its election between those two alternatives. Thereafter an insurer shall not change his or her election without the consent of the Commissioner: Any such money taxed as total income derived from direct premiums written is, in the event of withdrawal of the money before its actual applications to the purchase of annuities, eligible to be included as “return premiums.”

Tax Rate:

→ § 680B.027

3.5% - except as otherwise provided for factory mutuals, certain risk retention groups, and service contract providers. This provision is not applicable to captive insurers (NRS 679A.160).

→ §§ 695E.170; 680B.0353 Risk Retention Groups

Risk retention groups registered in Nevada but chartered in a state other than Nevada shall pay the tax at a rate of 2%.

§ 694C.450 Captive Insurer

0.4% on the first \$20,000,000 of net direct premiums;

0.2% on the next \$20,000,000 of net direct premiums; and

0.075% on each additional dollar of net direct premiums;

0.225% on the first \$20,000,000 of revenue from assumed reinsurance premiums;

0.15% on the next \$20,000,000 of revenue from assumed reinsurance premiums; and

0.025% on each additional dollar of revenue from assumed reinsurance premiums.

Tax Rate (cont.)

§ 694C.450 Captive Insurer (cont.)

If the sum of the taxes to be paid by a captive insurer is less than \$5,000 in any given year, the captive insurer shall pay a tax of \$5,000 for that year. The maximum aggregate tax for any year must not exceed \$175,000. The maximum aggregate tax to be paid by a sponsored captive insurer applies only to each protected cell and does not apply to the sponsored captive insurer as a whole. Two or more captive insurers under common ownership and control must be taxed as if they were a single captive insurer.

A captive insurer that is issued a license after July 1, 2003, is entitled to receive a nonrefundable credit of \$5,000 applied against the aggregated taxes owed by the captive insurer for the first year in which the captive insurer incurs any liability for the payment of taxes. A captive insurer is entitled to a nonrefundable credit pursuant to this section not more than once after the captive insurer is initially licensed.

→ Other Taxes and Assessments:

[Note: Not applicable to captive insurers and risk retention groups, for entire list *see* NRS 679A.160.]

→ § 686B.230 Nevada Essential Insurance Association

Association may assess insurers for administration expenses and costs of examinations and other expenses. Assessments based on amount of premiums for kind of coverage association provides and may not exceed 5% of the insurer's net direct written premiums for the prior year.

§ 232.680 Division of Industrial Relations

The Division of Industrial Relations shall assess insurers based on the expected annual expenditure for workers' compensation claims to cover the expenses of the Department.

§ 449.465 Health Insurance Cost Containment Program

Director may impose fees on health insurers admitted in the state necessary to carry out cost containment program, plus \$50 yearly fee for support of legislative committee on health care.

→ § 687A.060 Property and Casualty Guaranty Association

Assessments on account of insolvency shall be no greater than 2% net direct written premium for year preceding the assessment plus no more than \$1,000 per year for administrative expenses not related to the insolvency.

§§ 686C.230 to 686C.250 Life and Health Guaranty Association

Assessments on account of an insolvency shall not, in any one year, be greater than 2% of the average net written premiums for the past three years, plus an administrative cost assessment of no more than \$500.

Other Taxes and Assessments (cont.)

→ § 679B.700 Fraudulent Insurance Investigation Fund

Insurers must pay an assessment for investigations of insurance fraud. The assessment is \$1,000 for insurers if premiums charged to Nevada insureds is less than \$100,000 and for reinsurers. For premium of \$100,000 but less than \$1 million, the assessment is \$1,500. For premium of \$1 million but less than \$10 million, the assessment is \$2,000. For premium of \$10 million but less than \$50 million, the assessment is \$3,000. For premium of \$50 million or more, the assessment is \$4,000. Does not apply to insurers that provide only workers' compensation insurance that pays the assessment provided in NRS 232.680.

→ § 680B.020 City or County License Fee

Possession of NRS title 57 licenses and certificates of authority, except for those listed in NRS 679A.106, is authorization to transact such business and shall be in lieu of all licenses, whether for regulation or revenue, required to transact insurance business in Nevada. City, town, or county may assess a license fee to any insurance analyst, adjuster or managing general agent or producers of insurance within the city, town, or county.

§ 680B.037 Preemption

Payment of premium tax is in lieu of all other taxes imposed by state, cities or counties upon premiums or income except the commerce tax.

Exclusions and Deductions:

→ § 680B.025 Medicare Payments

Total income derived from direct premiums written excludes payments received from the Secretary of Health & Human Services under 42 U.S.C. § 1395mm (Medicare).

§ 695A.550 Fraternal Benefit Societies

Fraternal benefit societies are exempt from premium tax.

Credits:

§ 686C.280 Life and Health Guaranty Association

Assessments may be taken as an offset against premium tax at a rate of 20% per year for five years beginning the year after the assessment is made.

§ 687A.060 Property and Casualty Guaranty Association

The credit for assessments is 20% per year for five successive years beginning the calendar year following the year in which the assessment is paid.

Credits (cont.)

§ 686B.230 Essential Insurance Association

Each member insurer must be allowed a premium tax credit at a rate of 20% per year for five successive years following the year in which the assessment is paid.

→ § 231A.200 Nevada New Markets Jobs Act

An insurance premium tax credit has been enacted for certain business entities that invest in a qualified community development entity. The credit amount is equal to the applicable percentage for the credit allowance date, multiplied by the purchase price paid to the issuer of the qualified equity investment.

Except for the provisions listed in the following paragraph, the amount of the credit claimed by an entity must not exceed the amount of the entity's liability for insurance premium tax for the tax year for which the credit is claimed.

If the insurance premium tax is eliminated or reduced below the level that was in effect on the first credit allowance date, the entity is entitled to a credit against any other taxes paid to the Department of Taxation in an amount equal to the difference between the amount the entity would have been able to claim against its insurance premium tax liability had the tax not been eliminated or reduced and the amount the entity was actually able to claim, if any. Any amount of tax credit that the entity is prohibited from claiming in a taxable year may be carried forward for use in any subsequent taxable year.

→ § 231.1555 Relocating or Expansion of Business

A person who intends to locate or expand a business in Nevada may apply to the office for a certificate of eligibility for transferable tax credits which may be applied to any insurance tax imposed by NRS 680B. No application for certificate of eligibility for transferable tax credits will be approved for a period of more than five fiscal years, or for any fiscal year if approval of the application would cause for a fiscal year beginning on or after July 1, 2020, the total amount of credits issued to exceed \$5 million.

Payment Due Dates:

→ §§ 680B.027; 680B.030 to 680B.032

Return due Mar. 15 of each year. If required to pay a tax of at least \$2,000 on net direct premiums and net direct considerations written during the preceding calendar year, file a quarterly report accompanied by tax for that quarter. Quarterly payment is due on the last day of the last month in each calendar quarter and is payable on or before the last day of the month next succeeding the calendar quarter for which payment is due. The premium tax and retaliatory tax are payable to the Department of Taxation. All other fees and taxes are payable to the Division of Insurance.

Penalties:

→ § 680B.039

Failure to file the report or pay the tax within the time for filing and payment shall in addition to any other applicable penalty, pay a penalty of not more than 10% of the tax owed in addition to the tax, plus interest at a rate of 1.5% per month, or fraction of a month, calculated from the payment due date until the date of payment.

Extensions:

→ § 680B.030

Executive Director of the Department of Taxation may, on or before March 15 of each year, grant a reasonable extension for good cause.

Retaliatory Law:

→ § 680A.330

Any taxes, licenses or other fees in the aggregate, and any fines, penalties, deposit requirements, etc., as are or would be imposed on Nevada insurers which exceed those Nevada imposes on insurers, agents, representatives of such insurers, or brokers or adjusters of other states shall result in a retaliatory tax consisting of the same taxes, licenses, and other fees in the aggregate, or fines, penalties, or deposit requirements imposed upon insurers, agents, representatives of such insurers, or brokers of such other state, country, or province. Taxes imposed by political subdivisions are considered imposed by the state. The law does not apply to personal income taxes, ad valorem taxes on real or personal property, or special purpose obligations or assessments imposed by another state in connection with some kind of insurance other than property insurance except those taken into consideration by the Commissioner in determining the propriety and extent of retaliatory action.

FEES

→ Insurers' Fees:

§§ 680B.010; 686A.380; 694C.220 to 694C.230; 695A.080; 695C.230; 695D.150; 695F.340; 696A.150

The Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, fees and miscellaneous charges as follows:

Insurers' certificate of authority:

| | |
|---|---|
| Filing initial application..... | \$2,450 |
| Issuance of certificate: | |
| For any one kind of insurance | 283 |
| For two are more kinds of insurance | 578 |
| For a reinsurer | 2,450 |
| Each annual continuation of a certificate | 2,450 |
| Reinstatement..... | 50% of annual continuation fee otherwise required |
| Registration of additional title | 50 |
| Annual renewal of registration of additional title..... | 25 |

Insurers’ Fees (cont.)

§§ 680B.010; 686A.380; 694C.220 to 694C.230; 695A.080; 695C.230; 695D.150; 695F.340; 696A.150
(cont.)

Charter documents:

Other than documents filed with application for certificate of authority.
Filing amendments to articles of incorporation, charter, bylaws, power of attorney
and other constituent documents of the insurer, each document..... \$10

Annual statement or report:

Filing annual statement or report 25

Prepaid limited health service organization (§ 695F.340):

Filing application for certificate of authority..... 2,450
Issuance of certificate of authority..... 283
Renewal of certificate of authority..... 2,450
Filing material change or addition 100
Annual report 25
Periodic reports required by Commissioner..... 25

Service of process:

Filing of power of attorney 5
Acceptance of service of process 30

Premium finance (§ 686A.380):

Company license issuance & renewal..... 500

Captive license (§§ 694C.220; 694C.230):

Application..... 500
Issuance of license 300
Renewal of license 300

Fraternal Benefit Society certificate of authority (§ 695A.080):

Outstanding benefit contracts in Nevada, 600 or less 250
Outstanding benefit contracts in Nevada, 601-1199 500
Outstanding benefit contracts in Nevada, 1200 or more..... 2,450

HMO (§ 695C.230):

Certificate of authority application 2,450
Issuance of a certificate of authority..... 250
Amendment to certificate of authority 100
Renewal of certificate of authority..... 2,450
Filing annual report..... 25

Dental plan (§ 695D.150):

Certificate of authority issuance & renewal..... 2,450

Medical discount plan (§ 695H.090):

Registration & renewal 500

Insurers’ Fees (cont.)

§§ 680B.010; 686A.380; 694C.220 to 694C.230; 695A.080; 695C.230; 695D.150; 695F.340; 696A.150
(cont.)

Motor club (§§ 696A.140; 696A.150):

| | |
|--|-------|
| Certificate of authority application & renewal | \$500 |
| Issuance of certificate of authority..... | 283 |

Purchasing groups:

| | |
|---|-----|
| Initial registration and review of an application | 100 |
| Each annual continuation of registration | 100 |

Risk retention groups, as defined in § 695E.110:

| | |
|--|-----|
| (1) Initial fee | 250 |
| (2) Each annual continuation of a certificate of registration..... | 250 |

Rating organizations:

| | |
|------------------------------|-----|
| Application and license..... | 500 |
| Annual renewal | 500 |

Additional title and property insurers:

| | |
|----------------------------|----|
| Original registration..... | 50 |
| Annual renewal | 25 |

Required filing of forms:

| | |
|-----------------------------------|----|
| For rates and policies | 25 |
| For riders and endorsements | 10 |

→ Producer Licensing Fees:

§§ 680B.010; 683A.261

Producers’ licenses, appointments and renewals:

| | |
|--|-----|
| Application and license..... | 125 |
| Appointment fee for each insurer | 15 |
| Triennial renewal of each license | 125 |
| Temporary license..... | 10 |
| Modification of an existing license..... | 50 |

Surplus lines brokers:

| | |
|---|-----|
| Application and license..... | 125 |
| Triennial renewal of each license | 125 |

Managing general agents’ licenses, appointments, and renewals:

| | |
|---|-----|
| Application and license..... | 125 |
| Appointment fee for each insurer | 15 |
| Triennial renewal of each license | 125 |

Producer Licensing Fees (cont.)

§§ 680B.010; 683A.261 (cont.)

Reinsurance intermediary broker or manager:

| | |
|---|-------|
| Application and license..... | \$125 |
| Triennial renewal of each license | 125 |

Adjusters' licenses and renewals:

| | |
|---|-----|
| Application and license..... | 125 |
| Triennial renewal of each license | 125 |

Licenses and renewals for appraisers of physical damage to motor vehicles:

| | |
|---|-----|
| Application and license..... | 125 |
| Triennial renewal of each license | 125 |

Administrators licensed—certificate and renewals:

| | |
|---|-----|
| Application and certificate of registration | 125 |
| Triennial renewal | 125 |

Insurance vending machines:

| | |
|---|-----|
| Application and license, for each machine | 125 |
| Triennial renewal of each license | 125 |

Permit for solicitation for securities:

| | |
|-----------------------------|-----|
| Application for permit..... | 100 |
| Extension of permit..... | 50 |

Securities salesmen for domestic insurers:

| | |
|------------------------------|----|
| Application and license..... | 25 |
| Annual renewal license | 15 |

Prepaid funeral contracts seller:

| | |
|---|-----|
| Certificate of authority and renewal for seller | 125 |
| Triennial renewal of each license | 125 |

Licenses and renewals for title agents and escrow officers:

| | |
|--|-----|
| Application and license..... | 125 |
| Triennial renewal of each license | 125 |
| Appointment fee for each title insurer | 15 |

Bail agents' licenses, appointments and renewals:

| | |
|--|-----|
| Application and license..... | 125 |
| Appointment for each surety insurer..... | 15 |
| Triennial renewal of each license | 125 |

Bail enforcement agents' licenses and renewals:

| | |
|---|-----|
| Application and license..... | 125 |
| Triennial renewal of each license | 125 |

Producer Licensing Fees (cont.)

§§ 680B.010; 683A.261 (cont.)

General agents for bail licenses, appointments and renewals:

| | |
|--|-------|
| Application and license..... | \$125 |
| Initial appointment by each insurer..... | 15 |
| Triennial renewal of each license | 125 |

Bail solicitors' licenses and renewals:

| | |
|--|-----|
| Application and license..... | 125 |
| Triennial renewal of each application..... | 125 |

Prepaid funeral contracts and prepaid burial contracts—licenses and renewals for agents:

| | |
|---|-----|
| Application and license..... | 125 |
| Triennial renewal of each license | 125 |

Viatical settlements:

| | |
|---|-------|
| Provider of viatical settlements | |
| Application and license | 1,000 |
| Annual renewal..... | 1,000 |
| Broker of viatical settlements | |
| Application and license | 500 |
| Annual renewal..... | 500 |
| Registration of producer of insurance acting as a viatical settlement broker..... | 250 |

Insurance consultants:

| | |
|------------------------------|-----|
| Application and license..... | 125 |
| Triennial renewal | 125 |

Licensee's association with or appointment or sponsorship by an organization:

| | |
|---|----|
| Initial appointment, association or sponsorship, for each organization..... | 50 |
| Renewal of each association or sponsorship..... | 50 |
| Annual renewal of appointment..... | 15 |

Miscellaneous fees:

| | |
|--|----|
| Letter of clearance for a producer..... | 10 |
| Certificate of status as a licensed producer..... | 10 |
| Certified copies of certificates of authority and licenses issued pursuant to the Code | 10 |

Exchange enrollment facilitators:

| | |
|--|-----|
| Application and certificate..... | 125 |
| Triennial renewal of each certificate..... | 125 |
| Temporary certificate..... | 10 |

Agent who performs utilization reviews:

| | |
|-----------------------------------|-----|
| Application and registration..... | 250 |
| Renewal of registration | 250 |

Producer Licensing Fees (cont.)

§§ 680B.010; 683A.261 (cont.)

Motor club agent:

| | |
|---|------|
| Application and license..... | \$78 |
| Appointment by each motor club..... | 5 |
| Triennial renewal of each license | 78 |

Title plant company:

| | |
|------------------------------|----|
| Application and license..... | 10 |
| Renewal of license | 10 |

Service contract provider:

| | |
|-----------------------------------|-------|
| Application and registration..... | 2,000 |
| Renewal of registration | 2,000 |

Licensee pays fees. There is currently no retaliation being charged on Producer/Agents' licensing fees.

→ Fund for Insurance Administration and Enforcement:

§ 680C.110

The following fees must be paid by the following persons to the Commissioner for the Fund for Insurance Administration and Enforcement:

Associations of self-insured private employers, as defined in § 616A.050:

| | |
|-----------------------|-------|
| (1) Initial fee | 1,300 |
| (2) Annual fee | 1,300 |

Associations of self-insured public employers, as defined in § 616A.055:

| | |
|-----------------------|-------|
| (1) Initial fee | 1,300 |
| (2) Annual fee | 1,300 |

Independent review organizations, as provided for in § 616A.469 or § 683A.3715, or both:

| | |
|----------------------|----|
| (1) Initial fee..... | 60 |
| (2) Annual fee | 60 |

Producers of insurance, as defined in § 679A.117:

| | |
|------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee..... | 60 |

Accredited reinsurers, as provided for in § 681A.160:

| | |
|----------------------|-------|
| (1) Initial fee..... | 1,300 |
| (2) Annual fee | 1,300 |

Intermediaries, as defined in § 681A.330:

| | |
|-------------------------|----|
| (1) Initial fee | 60 |
| (2) Triennial fee | 60 |

Fund for Insurance Administration and Enforcement (cont.)

§ 680C.110 (cont.)

Reinsurers, as defined in § 681A.370:

| | |
|-----------------------|---------|
| (1) Initial fee | \$1,300 |
| (2) Annual fee | 1,300 |

Administrators, as defined in § 683A.025:

| | |
|------------------------|----|
| (1) Initial fee | 60 |
| (2) Triennial fee..... | 60 |

Managing general agents, as defined in § 683A.060:

| | |
|------------------------|----|
| (1) Initial fee | 60 |
| (2) Triennial fee..... | 60 |

Agents who perform utilization reviews, as defined in § 683A.376:

| | |
|----------------------|----|
| (1) Initial fee..... | 60 |
| (2) Annual fee | 60 |

Insurance consultants, as defined in § 683C.010:

| | |
|------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee..... | 60 |

Independent adjusters, as defined in § 684A.030:

| | |
|------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee..... | 60 |

Public adjusters, as defined in § 684A.030:

| | |
|-------------------------|----|
| (1) Initial fee | 60 |
| (2) Triennial fee | 60 |

Motor vehicle physical damage appraisers, as defined in § 684B.010:

| | |
|------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee..... | 60 |

Brokers, as defined in § 685A.030:

| | |
|------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee..... | 60 |

Companies, as defined in § 686A.330:

| | |
|----------------------|-------|
| (1) Initial fee..... | 1,300 |
| (2) Annual fee | 1,300 |

Rate service organizations, as defined in § 686B.020:

| | |
|----------------------|-------|
| (1) Initial fee..... | 1,300 |
| (2) Annual fee | 1,300 |

Fund for Insurance Administration and Enforcement (cont.)

§ 680C.110 (cont.)

Brokers of viatical settlements, as defined in § 688C.030:

| | |
|----------------------|------|
| (1) Initial fee..... | \$60 |
| (2) Annual fee | 60 |

Providers of viatical settlements, as defined in § 688C.080:

| | |
|----------------------|----|
| (1) Initial fee..... | 60 |
| (2) Annual fee | 60 |

Agents for prepaid burial contracts subject to the provisions of Ch. 689:

| | |
|------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee..... | 60 |

Agents for prepaid funeral contracts subject to the provisions of Ch. 689:

| | |
|------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee..... | 60 |

Sellers of prepaid burial contracts subject to the provisions of Ch. 689:

| | |
|------------------------|----|
| (1) Initial fee | 60 |
| (2) Triennial fee..... | 60 |

Sellers of prepaid funeral contracts subject to the provisions of Ch. 689:

| | |
|-------------------------|----|
| (1) Initial fee | 60 |
| (2) Triennial fee | 60 |

Providers, as defined in § 690C.070:

| | |
|----------------------|-------|
| (1) Initial fee..... | 1,300 |
| (2) Annual fee | 1,300 |

Escrow officers, as defined in § 692A.028:

| | |
|-------------------------|----|
| (1) Initial fee..... | 60 |
| (2) Triennial fee | 60 |

Title agents, as defined in § 692A.060:

| | |
|------------------------|----|
| (1) Initial fee | 60 |
| (2) Triennial fee..... | 60 |

Captive insurers, as defined in § 694C.060:

| | |
|----------------------|-----|
| (1) Initial fee..... | 250 |
| (2) Annual fee | 250 |

Purchasing groups, as defined in § 695E.100:

| | |
|----------------------|-----|
| (1) Initial fee..... | 250 |
| (2) Annual fee | 250 |

Fund for Insurance Administration and Enforcement (cont.)

§ 680C.110 (cont.)

Risk retention groups, as defined in § 695E.110:

(1) Initial fee..... \$250

Medical discount plans, as defined in § 695H.050:

(1) Initial fee..... 1,300

(2) Annual fee 1,300

Club agents, as defined in § 696A.040:

(1) Initial fee 60

(2) Triennial fee..... 60

Motor clubs, as defined in § 696A.050:

(1) Initial fee..... 1,300

(2) Annual fee 1,300

Bail agents, as defined in § 697.040:

(1) Initial fee..... 60

(2) Triennial fee..... 60

Bail enforcement agents, as defined in § 697.055:

(1) Initial fee..... 60

(2) Triennial fee..... 60

Bail solicitors, as defined in § 697.060:

(1) Initial fee..... 60

(2) Triennial fee..... 60

General agents, as defined in § 697.070:

(1) Initial fee..... 60

(2) Triennial fee..... 60

Exchange enrollment facilitators, as defined in § 695J.050:

(1) Initial fee..... 60

(2) Triennial fee 60

An initial fee of \$1,000 must be paid to the Commissioner by each:

(1) Insurer who is authorized to transact casualty insurance, as defined in § 681A.020;

(2) Insurer who is authorized to transact health insurance, as defined in § 681A.030;

(3) Insurer who is authorized to transact life insurance, as defined in § 681A.040;

(4) Insurer who is authorized to transact property insurance, as defined in § 681A.060;

(5) Title insurer, as defined in § 692A.070;

(6) Fraternal benefit society, as defined in § 695A.010;

(7) Corporation subject to the provisions of Ch. 695B;

(8) Health maintenance organization, as defined in § 695C.030;

(9) Organization for dental care, as defined in § 695D.060; and

(10) Prepaid limited health service organization, as defined in § 695F.050.

Fund for Insurance Administration and Enforcement (cont.)

§ 680C.110 (cont.)

An insurer who is required to pay an initial fee of \$1,000 shall also pay to the Commissioner an annual fee in an amount determined by the Commissioner. When determining the amount of the annual fee, the Commissioner must consider:

- (1) The direct written premiums reported to the Commissioner by the insurer during the previous year;
- (2) The number of insurers who are required to pay an annual fee pursuant to this subsection;
- (3) The direct written premiums reported during the previous year by all insurers paying such fees; and
- (4) The budget of the Division.

An insurer who is not required to pay an initial or annual fee of \$1,000 pursuant to the sections listed above shall pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300.

The fees required by this section must be:

- (1) If an initial fee, paid at the time of an initial application or issuance of a license, as applicable;
- (2) If an annual fee, paid on or before Mar. 1 of every year;
- (3) If a triennial fee, paid on or before the time of continuation, renewal or other similar action regarding a certificate, license, permit or other type of authorization, as applicable; and
- (4) The fees required pursuant to this section are not refundable.

NAC 680C.200 Annual fee. [Effective July 1, 2019.] (NRS 679B.130, 680C.110)

- (1) Each insurer described in Subsection 5 of NRS 680C.110 shall pay the following annual fee that is determined by the Commissioner pursuant to Subsection 6 of NRS 680C.110 and is based on the direct written premiums reported to the Commissioner by the insurer during the previous year:
 - (a) Less than \$1 in direct written premiums \$1,500
 - (b) At least \$1 but not more than \$100,000 in direct written premiums..... 1,800
 - (c) More than \$100,000 but not more than \$1,000,000 in direct written premiums..... 2,100
 - (d) More than \$1,000,000 but not more than \$5,000,000 in direct written premiums..... 2,800
 - (e) More than \$5,000,000 in direct written premiums 3,600
- (2) The insurer shall pay the annual fee required in Subsection 1 pursuant to NAC 680C.220.

DEPOSITS

→ §§ 680A.140; 680A.330; 682B.015; 682B.020; 680A.120

Insurer must maintain a deposit not less than its minimum required capital stock (stock insurer) or minimum required basic surplus (if a mutual or reciprocal insurer). Title insurer must maintain a deposit of cash or securities of fair market value not less than its minimum required capital stock. Foreign insurer may present certificate that a deposit of a like amount is maintained in another state. The commissioner may require a special deposit be maintained in this state for the sole benefit and protection of Nevada policyholders.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

→ **CONTACT PERSON**

Department of Taxation, Insurance Tax Examiner
(775) 684-2130; premiumtax@tax.state.nv.us

→ Division of Insurance

Companies:

Kami Thompson: (775) 687-0745; kthompson@doi.nv.gov

Individuals & Agencies:

Jacob Roberts: (775) 687-0774; jroberts@doi.nv.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

NEW HAMPSHIRE

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

N.H. Rev. Stat. Ann. § 400-A:31

On gross direct premiums, including policy fees, membership fees and assessments, dividends applied in payment for insurance and other considerations. As to title insurers, the portion of the premium chargeable to title examinations may be deducted. It is department policy not to tax annuity considerations.

Tax Rate:

→ § 400-A:32

Premium tax rate 1.25% for premiums written during calendar year 2022.

Accident & health premiums written, including premiums written by companies licensed pursuant to §§ 420-A, 420-B and 420-F: premium tax rate 2%.

Every authorized insurer shall pay to the insurance commissioner a minimum annual premium tax of no less than \$200.

§ 405-A:3

Risk retention group taxed same as foreign admitted insurer.

Other Taxes and Assessments:

§ 281-A:59 Workers' Compensation Administration Fund

Assessment for administration of workers' compensation program. Based on claims paid. No assessment shall be less than \$100.

→ § 281-A:55 Special Fund for Second Injuries

May assess workers' compensation insurers to maintain fund. No credit against premium tax liability.

Other Taxes and Assessments (cont.)

§ 400-A:39 Administrative Expenses of Insurance Department

Assess share of costs of administering insurance department to all insurers. Assessments are based on the insurer's premium as a proportion of total premium written. Minimum assessment \$100.

→ § 77-A Business Profits Tax

Tax based on federal taxable income with adjustments and taxed at rate of 7.6%. No credit against premium tax liability. Premium tax is a credit against New Hampshire business profits tax.

§ 77-E Business Enterprise Tax

This chapter defines business enterprise and tells how to calculate the tax due. This tax is a credit against premium tax liability.

§ 404-C:11 Federal Riot Reinsurance

Assess amount sufficient to reimburse U.S. for expenditures under national housing act for lines of insurance reinsured by housing and urban development secretary.

§ 404-B:8 Property and Casualty Guaranty Association

Association may make an assessment of no more than 2% of net direct written premiums for kinds of insurance in account with deficiency. No credit against premium tax liability.

§ 408-B:9 Life and Health Guaranty Association

For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of directors shall assess the member insurers, separately for each account, at such time and for such amounts as the board finds necessary.

§ 420-K:6 Small Employer Health Reinsurance Pool

The board of directors shall establish a regular assessment rate and may establish a special assessment rate for organizational expenses and an interim assessment if the board determines that its funds are or will become insufficient to pay the reinsurance pool's expense in a timely manner. The regular assessment rate, and any special assessment rate, shall be subject to the approval of the commissioner.

Exclusions and Deductions:

§ 418:23 Fraternal Benefit Societies

Fraternals are exempt from the payment of premium tax.

Crop Insurance:

New Hampshire will not collect tax on premiums on federally reinsured crop insurance.

§§ 420-A:27; 420-B:17; 420-F:1

Premiums of political subdivisions of the state of New Hampshire written by companies licensed under §§ 420-A, 420-B and 420-F are exempt from premium tax.

Credits:

§ 400-A:34-a Business Enterprise Tax

The business enterprise tax paid may be credited against premium tax. Any excess business enterprise tax may be credited against New Hampshire business profits tax.

§ 162-L:10 New Hampshire Community Development Finance Authority Tax Credit

Insurers may take a credit against their premium tax for 75% of contributions made to the authority. The total credit cannot exceed \$1 million in any tax year.

§ 408-B:13 Life and Health Guaranty Association

An insurer may offset its tax liability described in § 408-B:9,II(b) for the life insurance and annuity account, and for the health account for guaranteeing the performance of contractual obligations of an impaired or insolvent insurer in regard to disability income coverage only to the extent of 20% of the amount of the assessment each year for five years, beginning the year after the assessment was paid.

Payment Due Dates:

→ § 400-A:32

Return due Mar. 15. Pay 100% of calendar year 2022 tax as prepayment for calendar year 2023.

§ 400-A:32-b Electronic Funds Transfer

The insurer, or group of insurers, shall remit taxes by electronic funds transfer, when there was a tax liability in the prior tax year of \$20,000 or more.

Penalties:

§ 400-A:32 Premium Tax: Collection, Minimum, Penalty & Prepayments

Any insurer failing to file the report or failing to remit the proper tax within the time for filing shall pay a penalty contingent upon the number of days that have passed since the due date. For late payments received 1-30 days after the due date, the penalty fee shall be 3% of the amount of the tax due. For late payments received 31-60 days after the due date, the penalty fee shall be 6% of the amount of tax due. For late payments received more than 60 days after the due date, the penalty fee shall be 12% of the amount of tax due. If the tax or the estimated tax is not paid when due, the commissioner may suspend or revoke the insurer's certificate of authority.

§ 400-A:39 Administration Fund

Any insurer that does not pay amounts due under this section within 45 days of the billing date shall incur a late payment penalty contingent upon the number of days that have passed since the due date. For late payments received 1-30 days after the due date, the penalty fee shall be 3% of the amount of the tax due. For late payments received 31-60 days after the due date, the penalty fee shall be 6% of the amount of tax due. For late payments received more than 60 days after the due date, the penalty fee shall be 12% of the amount of tax due. If the tax or the estimated tax is not paid when due, the commissioner may suspend or revoke the insurer's certificate of authority.

§ 405:29 Licenses for Agents of Unlicensed Companies

Any producer failing to file the report or failing to remit the proper tax within the time period for filing shall pay a penalty contingent upon the number of days that have passed since the due date. For late payments received 1-30 days after the due date, the penalty fee shall be 3% of the amount of tax due. For late payments received 31-60 days after the due date, the penalty fee shall be 6% of the amount of tax due. For late payments received more than 60 days after the due date, the penalty fee shall be 12% of the amount of tax due.

§ 405:60 Revocation of Licenses

May revoke license for failure to pay tax, fine, penalty, license or fee.

§ 405-A:3 Risk Retention Groups Not Chartered in this State

Any risk retention group failing to file the report or failing to remit the proper tax within the time for filing shall pay a penalty contingent upon the number of days that have passed since the due date. For late payments received 1-30 days after the due date, the penalty fee shall be 3% of the amount of the tax due. For late payments received 31-60 days after the due date, the penalty fee shall be 6% of the amount of tax due. For late payments received more than 60 days after the due date, the penalty fee shall be 12% of the amount of tax due. If the tax or the estimated tax is not paid when due, the commissioner may suspend or revoke the insurer's certificate of authority.

Extensions:

§ 400-A:31 General Premium Tax: Report

Commissioner may grant an extension for reasonable cause.

Retaliatory Law:

§ 400-A:35 Retaliatory Provisions

When taxes, fines, penalties, licenses, fees and other obligations imposed on New Hampshire insurers by other states exceed those New Hampshire imposes on other states’ insurers, retaliation will occur. New Hampshire retaliates on a tax-for-tax and a fee-for-fee basis on taxes, fines, penalties, licenses, fees, deposits and other obligations, according to the instructions on the tax return.

FEES

Insurers’ Fees:

§ 400-A:29

Certificate of authority:

| | |
|---|---------|
| Company license application (nonrefundable) | \$1,000 |
| Initial certificate | 100 |
| Annual renewal of company license | 100 |
| Reinstatement..... | 50 |
| Amendment..... | 25 |
| Variable products application (nonrefundable) | 100 |
| Annual renewal of variable products license | 100 |

Charter documents:

| | |
|--|----|
| (Other than documents filed with application for certificate of authority): | |
| For filing articles of amendment, domestic companies | 25 |
| For filing a copy of amendment to the articles of incorporation of a foreign or alien company..... | 35 |
| If the amendment is filed more than 60 days after the same has become effective in the home state, the corporation shall pay to the commissioner a penalty of | 50 |

Annual statement:

| | |
|------------------------------|-----|
| Annual statement filing..... | 100 |
|------------------------------|-----|

Applications:

| | |
|---|----|
| Withdrawal and final report of foreign or alien insurance company | 25 |
| Application to reserve corporation name (90 days)..... | 25 |

Insurers' Fees (cont.)

§ 400-A:29 (cont.)

Advisory organizations and statistical agents:

| | |
|--------------------------------------|-------|
| Application fee..... | \$300 |
| Initial certificate | 150 |
| Annual renewal | 150 |
| Form filing – each form filing | 20 |
| Rate filing – each rate filing..... | 20 |

Hospital and medical service corporations:

| | |
|---|-----|
| Corporation's annual certificate of authority | 200 |
| Annual statement | 100 |

Road and tourist services:

| | |
|--|-----|
| Application fee for certificate of authority | 300 |
| Initial certificate | 100 |
| Annual renewal | 100 |

Consumer Guaranty Contract Obligors:

| | |
|--------------------------|-----|
| Registration fee | 300 |
| Annual renewal fee | 150 |

Insurance vending machines:

| | |
|-------------------------------------|----|
| Application fee, each machine..... | 50 |
| Initial license, each machine | 50 |
| Annual renewal, each machine | 50 |

Certificates:

| | |
|---|----|
| Certificates of compliance | 5 |
| Service of process on commissioner..... | 25 |

Retaliatory fees are charged if the insurer's domicile charges those fees of New Hampshire insurers.

Producer Licensing Fees:

§ 400-A:29

Producers:

| | |
|---|------------|
| Application and license fee (nonrefundable) | 210 |
| Biennial renewal | 150 |
| Amendment to license..... | 50 |
| Additional fee for late renewal | 150 |
| Appointment fee | 25 |
| Termination fee..... | 25 |
| Address change fee | 10 |
| Copies (all documents) | 1 per page |
| Mail return fee (incorrect name, address, etc.) | 25 |

Producer Licensing Fees (cont.)

§ 400-A:29 (cont.)

Adjuster's licenses:

| | |
|--|------|
| Non-refundable application and initial license | \$75 |
| Biennial renewal | 75 |

Public Adjuster's licenses:

| | |
|--|-----|
| Non-refundable application and initial license | 100 |
| Biennial renewal | 100 |

Managing general agents:

| | |
|------------------------|-----|
| Application fee..... | 50 |
| Original license | 350 |
| Renewal license | 250 |

Reinsurance intermediaries:

| | |
|------------------------|-----|
| Application fee..... | 50 |
| Original license | 350 |
| Renewal license | 250 |

Fees may be paid by the agent or company. Retaliation occurs on a fee-by-fee basis.

DEPOSITS

§ 402:2 Mutual Property and Casualty Companies

\$300,000 or \$500,000 deposit depending on type of insurer.

§ 411:3 Domestic Mutual Life Insurance

\$200,000 deposit

§ 411:1 Domestic Stock Life Insurance Companies

\$300,000 deposit

§ 411:8 Domestic Companies

The commissioner may require a deposit necessary to protect the policyholders, at his or her discretion, but the amount may not exceed \$1,000,000.

→ **CONTACT PERSON**

- Amy J. Duhaime: (603) 271-2261; amy.j.duhaime@ins.nh.gov
- James B. Young: (603) 271-3141; james.p.young@ins.nh.gov
- Jennifer A. Goodwin: (603) 271-2398; jennifer.a.goodwin@ins.nh.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

NEW JERSEY

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

N.J. Stat. Ann. § 54:18A-2 Other Than Life
§§ 54:18A-3 to 54:18A-5 Life Companies

Based on gross premiums, policy fees, premium deposits and assessments collected by the company except for reinsurance, less amounts returned or credited to policyholders. Gross premium does not include any amount received in connection with a qualified retirement, pension or profit-sharing plan. Marine insurers taxed on underwriting profit. Annuities not included in premium tax computations.

Tax Rate:

§§ 54:18A-2; 54:18A-3

2.1% property and casualty except ocean marine

1.05% on group accident and health

2.1% life insurers and all others

§ 34:15-93

0.25% additional premium tax on net premiums for workers' compensation and employers' liability insurance.

§ 17:47A-5

Risk retention groups subject to taxation at the same rate as surplus lines insurers if not chartered in the state or at the same rate as foreign admitted insurers if chartered in New Jersey.

Other Taxes and Assessments:

§§ 54:16-2; 54:16-7; 56:16-8 Ocean Marine Insurance

Ocean marine insurers taxed on average underwriting profit for last three years at rate of 5.25%. File by April 1. [Note: Not inland marine.]

§ 54:18-1 Firemen's Relief Association

Association shall receive 2% of amount of net premiums written by foreign insurers in that municipality, township or fire district.

Other Taxes and Assessments (cont.)

§§ 39:6-58 to 39:6-59 Motor Vehicle Security Responsibility Assessment

Motor vehicle security responsibility law administrative expenses apportioned to insurers writing motor vehicle liability insurance on basis of net premiums written. Due date would be 30 days from the invoice date.

§ 17:33A-8 Insurance Fraud Assessment

Bureau of Fraud Deterrence expenses are assessed to all insurers, including hospital and medical service plans, dental service plans, risk retention groups, purchasing groups, surplus lines, fraternal, and others based on net direct written premiums. Due date would be 30 days from the invoice date.

§§ 17:1C-19 to 17:1C-45; Bulletin 95-17 Insurance Department Special Purpose Apportionment

Insurers are assessed based on net written premium in Sept. to fund the department's financial regulatory responsibilities. The amount of the assessment is a pro rata share of the department's actual expenses for the prior fiscal year. Insurers, HMOs and others that pay the assessment are exempt from paying other service and filing fees. (Domestic insurers will still pay examination fees.) Fees associated with becoming licensed are still charged. Licensed insurers without written premium will pay licensing fees.

In determining the apportionment amount, the net written premiums received by a company, other than a domestic insurer that sells life insurance, including annuities, shall not exceed \$100,000,000 on any one contract of insurance. For the purpose of calculating the special purpose apportionment, any such premium excluded from the reporting of "net written premiums received" by virtue of the preceding sentence shall be allocated among domestic insurers that sell life insurance to be included with the "net written premiums received" reported by those companies. Such excluded premium shall be allocated among domestic insurers that sell life insurance, on a pro rata basis based on the proportion that the net written premiums received by each of them for insurance written or renewed on risks in this state during the calendar year immediately preceding bears to the sum total of all such net written premiums received by domestic insurers that sell life insurance within the state during that calendar year.

§ 34:15-93 Workers' Compensation Administration Fund

To defray the expenses of administering workers' compensation insurance, insurers writing compensation insurance shall pay an assessment of 0.25% of premiums received.

§ 34:15-107 Workers' Compensation Security Guaranty Fund

Assessments of insurers not to exceed 1% net written premiums may be made as needed to maintain balance in fund.

Other Taxes and Assessments (cont.)

§ 17:30A-8 Property and Casualty Guaranty Association

Assessment of not more than 2% net direct written premium may be made on account of insurer insolvency.

§ 17B:32A-8 Life and Health Guaranty Association

May assess insurers an amount determined by the board as fair and reasonable for administrative expenses of the association. This amount plus assessments due to insolvency may not exceed 2% of the insurer's average premiums for the past three years on the types of insurance covered by the association.

§ 26:2J-47 Health Maintenance Organizations

For the fiscal year 2006, the commissioner shall issue a special interim assessment, and in each fiscal year thereafter, an annual assessment, in the amount of two percent on the net written premiums received by each health maintenance organization (HMO) granted a certificate of authority to operate in the state. Each HMO shall remit the amount on a quarterly basis in each fiscal year. A HMO shall not impose any additional premium, fee or surcharge on its premium or enrollee charge to recoup any assessment paid.

§ 54:10A-4(y) Combinable Captive Insurance Company

For tax years ending on and after July 31, 2019, combinable captive insurance companies are exempt from Insurance Premium Taxes; but are subject to the Corporation Business Tax.

Limits

§ 54:18A-6 Maximum Taxable Premium

On or after Jan. 1, 2005, the 12.5% cap on total premium does not apply to health service corporations.

Exclusions and Deductions

§ 54:18A-9 Insurance Company

Title 54:18A does not apply to fraternal.
Title 54:18A does apply to health service corporations as of Jan. 1, 2005.

§ 54:10A-4(y) Combinable Captive Insurance Company

Combinable Captive Insurance Companies are exempt from Insurance Premium Taxes; but are subject to the Corporation Business Tax.

Credits:

§ 54:18A-2 Firemen's Relief Association

Payments to Firemen's Relief Association reduce premium tax liability. Amount of tax paid shall be credit against premium tax due if applicable. Credit for taxes paid to Fireman's Relief Association cannot exceed the amount shown on Line 16 (Total Tax).

§§ 52:27D-490 to 52:27D-498 Neighborhood Revitalization Credit

Insurers may take a credit against their premium tax for contributions to aid in preservation of neighborhoods. The contributions will foster rehabilitation and construction of low to moderate income housing. The credit may be granted up to 100% of the approved assistance provided for an approved project.

§ 52:27D-489f Residential Economic Redevelopment and Growth Tax Credit

Insurers may take a credit against their premium tax in lieu of an incentive grant based on such incremental revenue and is equal to the full amount of the incentive grant for certain qualified development projects. In accordance with N.J.S.A. 52:27D-489f(b)(3)(e), N.J.S.A. 34:1B-209, and N.J.S.A. 34:1B-209.3, the tax credit can be taken over a 10-year period at the rate of one tenth of the total amount of the credit for each privilege period or tax year.

§ 17B:32A-18 Life and Health Guaranty Association

Member insurers may offset against premium tax liability any assessments made by the association at the rate of 10% per year for each of the five years following the second year after the year in which the assessment was paid. No member may offset more than 20% of its tax liability in any one year.

§ 27:26A-15 Commuter Transportation Benefits

NOTE: This program has been phased out.

A taxpayer who provides commuter transportation benefits may be granted a credit for an accounting or privilege period not to exceed the per employee limit multiplied by the number of employees participating in alternative means of commuting at the work location. The per employee limit shall be 10% of cost not to exceed \$120 per employee participating.

Credits (cont.)

§§ 34:1B-244; 34:1B-246 Grow New Jersey Assistance Program

NOTE: This program has been phased out.

The program was designed to encourage economic development and job creation and to preserve jobs that currently exist in New Jersey, but which are in danger of being relocated outside of the state. To be eligible for the credit, a business must make, acquire, or lease a capital investment of equal to, or greater than, the applicable amount set forth in subsection (b) at a qualified business facility at which it will retain full-time employees in retained full-time jobs or create new full-time jobs pursuant to subsection (c) of § 34:1B-244. The total amount of tax credit for an eligible business for each new or retained full-time job shall be as set forth in subsections (b) through (f) of § 34:1B-246. The total tax credit amount shall be calculated and credited to the business annually for each year of the eligibility period. The program has been phased out and the EDA is no longer accepting new applications.

§ 34:1B-209 Urban Transit Hub Tax Credit

NOTE: This program has been phased out.

A business shall be allowed a credit of 100% of its capital investment. To be eligible for any tax credits, a business shall demonstrate that the state's financial support of the proposed capital investment in a qualified business facility will yield a net positive benefit to both the state and the eligible municipality. The value of all credits shall not exceed \$1,750,000,000. A business shall make or acquire capital investments totaling not less than \$50,000,000 in a qualified business facility, at which the business shall employ not fewer than 250 full-time employees. A business that is a tenant in a qualified business facility, the owner of which has made or acquired capital investments in the facility totaling not less than \$50,000,000 shall occupy a leased area of the qualified business facility that represents at least \$17,500,000 of the capital investment in the facility at which the tenant business and up to two other tenants in the qualified business facility shall employ not fewer than 250 full-time employees. A business shall be allowed a tax credit of 100% of its capital investment in a qualified business facility that is part of a mixed use project provided that (a) the qualified business facility represents at least \$17,500,000 of the capital investment in the mixed use project, (b) the business employs not fewer than 250 full-time employees and (c) the total capital investment in the mixed use project of which the qualified business facility is a part is not less than \$50,000,000. The amount of credit allowed shall be equal to the capital investment and shall be taken over a 10-year period, at the rate of one-tenth of the total amount of the business' credit. If, in any tax period, fewer than 200 full-time employees of the business are employed in new full-time positions the tax credit shall be reduced by 20%. If, in any tax period, the business reduces the total number of full-time employees by more than 20% then the business shall forfeit its credit amount for that tax period and each subsequent period. If the qualified business facility is sold during the 10-year eligibility period, the new owner shall not acquire the capital investment of the seller. If a tenant subleases its tenancy in whole or part during the 10-year eligibility the new tenant shall not acquire the credit of the sublessor.

Credit (cont.)

§ 54:18A-2 Computation of Tax Upon Insurers Other than Life or Marine

For the filing pursuant to subsection (a) of § 54:18A-1 due on or before Mar. 1, 2014, and each filing thereafter, every domestic insurance company subject to this section shall be allowed to reduce the amount owed pursuant to this section by 5% of any retaliatory tax liability incurred by that insurance company for the same filing period pursuant to the laws of any other state in which the insurance company transacts business. Such percentage reduction shall increase 1% per annual filing, until reaching 15% of any retaliatory tax liability for the filing due on or before Mar. 1, 2024, and each year thereafter.

§§ 54:18A-2(c); 54:18A-3(c) Computation of Retaliatory Tax Credit

Beginning with tax year 2013, New Jersey allows a retaliatory tax credit, pursuant to §§ 54:18A-2(c) and 54:18A-3(c), which permits a domestic insurance company to reduce its insurance premiums tax liability by 5% of any retaliatory tax incurred in other states, for the same filing period. The percentage reduction will increase 1% annually for 10 years until it reaches 15% for tax year 2023 and each tax filing thereafter. The tax liability reduction amount is to be included on the appropriate Form DEM or Form DEXM Line 21.

§ 54:10A-5.43(e): Tax Credit for Corporate Member of a Pass-through Entity that Elects to Pay the Pass-Through Business Alternative Income Tax

Beginning with tax year 2020, New Jersey allows an insurance company exempt from the corporation business tax a refund in the amount of the share of the tax paid by the pass-through entity on the insurance company's share of distributive proceeds of the pass-through entity that.

Payment Due Dates:

§ 54:18A-1

Return due March 1. Installment of 50% prepayment based on tax of prior year is due March 1 and is part of the Balance Due, upon filing of return. The remaining installment of 50% prepayment is due June 1.

§§ 54:16-7; 54:16-10 Ocean Marine Tax

Ocean marine report due April 1; payment due 15 days after billing is received from the division of taxation.

Penalties:

§ 54:49-4

Insurers are charged a penalty of \$100 for each month, or fraction of a month, that the tax return is late. In addition, the taxpayer is charged 5% per month or fraction of a month, up to a total penalty of 25% of the underpayment.

Extensions:

§ 54:18A-1.1

May extend for up to 30 days for reasonable cause.

Retaliatory Law:

§ 17:32-15 Insurers Generally

§ 17B:23-5 Life Insurers

Taxes, fees, fines, penalties, licenses, deposit requirements or other obligation imposed upon New Jersey insurers, reciprocals or inter-insurance exchanges or upon their agents which are in excess of such items imposed upon New Jersey companies and agents will result in retaliatory tax. Commissioner may compute tax burden on an aggregate statewide basis. Tax obligations imposed by political subdivisions shall be deemed to be imposed by the state. Does not apply to special purpose assessments in connection with particular kinds of insurance.

FEES

Generally, insurers aggregate all taxes and fees on their premium tax return. *Note that insurers paying the assessment to fund insurance department activities are exempt from the payment of many of the fees.*

Insurers' Fees:

§ 17:33-1; NJAC 11:1-32.4 to 11:1-32.9

Certificate of incorporation:

| | |
|---|---------|
| Domestic insurers | \$1,500 |
| Dissolution of company, change of name, amended certificates of incorporation | 250 |
| Other certificates..... | 50 |
| Increase of capital stock..... | 250 |

Life and health insurers:

| | |
|--|-------|
| Certificate of authority application to transact business in this state..... | 5,000 |
| Application to extend existing authority to other lines of business | 2,500 |
| Reviewing policies, except for contracts on a variable basis and credit life or health insurance..... | 200 |
| Reviewing policies for contracts on a variable basis and credit life or health insurance..... | 300 |
| Reviewing all riders, endorsements and applications, except for contracts on a variable basis and credit life or health insurance..... | 50 |
| Reviewing riders, endorsements and applications for contracts on a variable basis and credit life or health insurance | \$75 |
| Reviewing rate revisions for health insurance and credit life or health insurance..... | 200 |

Insurers' Fees (cont.)

§ 17:33-1; NJAC 11:1-32.4 to 11:1-32.9 (cont.)

Property and casualty insurers:

| | |
|---|---------|
| Certificate of authority application to transact business in this state | \$3,500 |
| Application to extend existing authority to other lines of business | 500 |
| Processing personal lines and commercial lines filings, excluding private passenger automobile insurance filings, as follows: | |
| Each policy form filing submission | 250 |
| Each rate filing submission | 250 |
| Each underwriting rule filing submission | 250 |
| Each combined forms and rate filing submission | 500 |
| Each combined rules and rate filing submission | 500 |
| Each combined rules and forms filing submission | 500 |
| Each combined forms, rules and rate filing submission | 500 |
| Reviewing consent to higher rate filings | 250 |
| Reviewing all submissions and filings relating to special risks | 250 |

Consolidation and merger:

| | |
|---|-------|
| Form A filing in connection with the acquisition or control of a domestic insurer | 2,500 |
| Upon the scheduling of a hearing in connection with a Form A filing | 2,500 |

Dental plan:

| | |
|---|-------|
| Processing application and renewal of certificate of authority to transact business as an organization | 1,000 |
| Application for dental service corporation | 25 |
| Application for certificate of authority as dental service corp., medical service corp., hospital service corp., or health service corp. | 5,000 |

Risk retention groups and purchasing groups:

| | |
|---|-------|
| Processing application for a certificate of eligibility | 3,500 |
| Each annual statement filed by a risk retention group | 100 |

Legal insurance:

| | |
|---|-----|
| Application for certificate of authority to transact business | 500 |
| Review of policy forms | 100 |

Annual statement:

| | |
|--|-----|
| Annual statement filing (includes fraternal, hospital and health service corps., title and dental plans) | 100 |
|--|-----|

Insurers' Fees (cont.)

§ 17:33-1; NJAC 11.1-32.4 to 11.1-32.9 (cont.)

Withdrawals, transfer of business:

| | |
|---|----------|
| Processing a plan of orderly withdrawal by an insurer with 1,000 or more policies currently in force..... | \$10,000 |
| Processing a plan of orderly withdrawal by an insurer with at least one but no more than 999 policies currently in force..... | 5,000 |
| Processing application to transfer business from an insurer in the amount of 1,000 policies or more..... | 5,000 |
| Processing application to transfer business from an insurer in an amount of less than 1,000 policies..... | 2,500 |
| Processing a plan of orderly withdrawal by an insurer that has had no policies in force during the three years immediately preceding the date of its application..... | 1,000 |
| Processing application to eliminate a rating system by an insurer that is not required to submit a plan of orderly withdrawal..... | 500 |

Miscellaneous services:

| | |
|---|-------------|
| Certificate of authority to agent of insurer..... | no change |
| Filing service of lawful process upon commissioner as attorney..... | 30 |
| Providing certificate of valuation of policies (life and health insurers only)..... | 25 |
| Providing certificate of the condition or qualification of an insurer..... | 25 |
| each additional copy for same company..... | 5 |
| Providing copy of statutory annual statement pages..... | 2 per page |
| Certifying copy of any paper filed with the department..... | 15 |
| Certifying a company document..... | 50 |
| Providing copy of any paper filed with the department (except statutory annual statements) each for first 10 pages..... | 0.75 |
| each for next 10 pages..... | 0.50 |
| per page thereafter..... | 0.25 |
| Application for redomestication by foreign or alien insurer..... | 1,000 |
| Compiling public records..... | 50 per hour |

Producer Licensing Fees:

§§ 17:22B-9; 17:22B-11; NJAC 11:1-37.18; 11:17-2.13

Producer fees:

| | |
|---|--------------------------|
| License fee (valid for two years)..... | 150 |
| Filing or processing initial application..... | electronic: 20, paper 40 |
| Additional authority filing..... | electronic: 20, paper 40 |
| Reinstating terminated license before its stated expiration date..... | electronic: 20, paper 40 |
| Branch office registration..... | paper: 20 |
| Filing or processing any notice of agency contract..... | electronic: 25, paper 35 |
| Limited insurance producer (biennial)..... | 75 |

Producer Licensing Fees (cont.)

§§ 17:22B-9; 17:22B-11; NJAC 11:1-37.18; 11:17-2.13 (cont.)

Public adjuster:

- License (valid for two years)paper processing \$20, plus \$50
- Sublicensee (90-day temporary)paper processing 20, plus 150
- Sublicensee renewal (90-day temporary).....paper processing 20, plus 150

Producers’ fees are paid by the producer. There is no retaliation.

DEPOSITS:

§§ 17:20-1; 17:32-2(d) Insurers Generally
§ 17B:18-37 Life Insurers

Deposit of \$100,000 required, commissioner may increase up to \$250,000.

§§ 17:46B-7; 17:46A-8

Title insurer shall deposit \$100,000 plus \$50,000 for each additional state in which does business, up to aggregate \$250,000 on deposit in this or other states.

§ 17:50-6

Inter-insurance exchange \$100,000.

CONTACT PERSON

Tanveer Ahmed: (609) 940-7411; tanveer.ahmed@dobi.nj.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

NEW MEXICO

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

N.M. Stat. § 7-40-3

Gross premiums and membership and policy fees received or written on insurance or contracts covering risks within New Mexico during the preceding calendar year, less all return premiums including dividends paid or credited to policyholders or contract holders and premiums received for reinsurance on New Mexico risks.

Tax Rate:

§ 27-40-3

3.003%

Other Taxes and Assessments:

→ § 7-40-3 Health Insurance Premium Surtax

In addition to the premium tax, a health insurance premium surtax is imposed at a rate of 3.75% of gross health insurance premiums and membership and policy fees covering New Mexico risks.

§§ 7-40-3; 7-40-7 Premium Tax on Surplus Lines Insurance

Within sixty days after expiration of a calendar quarter, the surplus lines broker shall pay the premium tax due on surplus lines insurance where New Mexico is the home state of the insured transacted under the surplus lines broker's license during such calendar quarter, as reported to the department. A tax is imposed at a rate of three and three-thousandths percent of the gross premiums and membership and policy fees received or written by a taxpayer on insurance or contracts covering risks within the state during the preceding calendar year.

§ 7-40-3 Self-Insured Group Tax

A tax imposed at a rate of 0.9% on the net premiums, received or written by a self-insured group within the state during the preceding calendar year. The estimated payments must be equal to at least one-fourth of the payment made during the previous calendar year.

§ 59A-54-10 Medical Insurance Pool

The New Mexico Insurance Pool Board of Directors may assess insurers to cover losses of pool, based on premiums for health insurance written in the state during preceding calendar year.

Other Taxes and Assessments (cont.)

§ 59A-42-8 Life and Health Guaranty Association

Members may be assessed no more than 2% of premiums written in this state on policies of the type in the account with the deficiency. This limit includes an amount which may be assessed yearly to cover administrative expenses.

§ 59A-43-7 Property and Casualty Guaranty Association

Members may be assessed no more than 2% net direct written premiums for the preceding calendar year on the kinds of insurance in the account with the deficiency.

§ 59A-6-6 Preemption

The state government preempts the field of taxation of insurers, nonprofit health care plans, health maintenance organizations, prepaid dental plan, prepaid funeral plans and insurance producers. Political subdivisions may not levy taxes on the foregoing entities except for property tax and income tax on insurance producers.

§ 59A-16C-14 Fraud Assessments

Annual fraud assessments are due from all insurers licensed to transact business in the state. Each year the Superintendent determines the rate of assessment and collects a fee from authorized insurers an amount not less than \$200 and not exceeding one-tenth of 0.1% of the correctly reported direct written premiums on policies written in New Mexico by authorized insurers. The failure of an insurer to pay this fee when due shall subject the insurer to a penalty of \$1,000 per month or part thereof in which the fee remains unpaid.

Exclusions and Deductions:

§ 7-40-5

Payment received by an HMO from the Federal Secretary of Health and Human Services pursuant to a risk-sharing contract issued under the provisions of 42 U.S.C. § 1395mm(g) as well as payments received for premiums from political subdivisions of the State of New Mexico are exempt from premium tax.

§ 59A-44-24 Fraternal Benefit Societies

Fraternal benefit societies are exempt from all taxes other than taxes on real estate and office equipment.

Credits:

Bulletin 2018-005 Medical Insurance Pool

Medical insurance pool credits cannot exceed tax due and can only be applied to the final premium tax return. Credits are only based on final medical insurance pool assessments. Interim medical insurance pool assessment billings will not be accepted. *See* Bulletin 2018-005 for details and guidelines regarding medical insurance pool credit application.

Payment Due Dates:

§ 7-40-7

Final premium tax return due April 15 of every year. Quarterly estimates of at least 25% of the (premium tax) payment made during the previous calendar year or 20% of the actual (premium tax) payment due for the current calendar year, whichever is greater. Estimates due April 15 (1st quarter), July 15 (2nd quarter), Oct. 15 (3rd quarter) and the following Jan. 15 (4th quarter). These instructions are also applicable for estimates on health insurance premium surtax.

§ 7-40-7

For self-insured group tax, estimates due April 15 (1st quarter), July 15 (2nd quarter), Oct. 15 (3rd quarter) and the following Jan. 15 (4th quarter). Quarterly estimates of at least 25% of the payment made during the previous calendar year. Final premium tax return due April 15 of every year.

Penalties:

§ 59A-6-4

\$1,000 for each month or part of a month an insurer has failed to file the report, or to pay the tax or fees after demand for the tax or fee. *See* Ins. Bulletins Nos. 2015-002 and 2018-017 for details and guidelines regarding premium tax and surtax penalties.

§ 59A-12-26

The superintendent may impose a penalty not to exceed \$50 for a licensee's failure to timely report continuing education credits.

§ 59A-12-17

Failure to timely inform the superintendent of a change in legal name or address shall result in a penalty of \$50.

Extensions:

No specific provisions for extensions.

Retaliatory Law:

§ 59A-5-33

Taxes, licenses, and other fees, in the aggregate, and any fines, penalties, deposit requirements or other obligations applied to New Mexico insurers, agents and brokers in other states are subject to retaliation. Taxes or fees imposed by any political subdivision are deemed to be imposed by state. Special purpose assessments, or assessments under guaranty funds not considered except assessments for financing public safety, health, and protection.

FEES

→ Retaliatory fees apply to rate or form filings; however, effective June 20, 2003, retaliatory rate and form filing fees became discretionary, and are not currently being imposed.

Insurers' Fees:

§§ 59A-6-1; 59A-6-1.2; 59A-44-36; 59A-7-1; 59A-7-4; 59A-7-6

Insurer's certificate of authority:

| | |
|--|---------|
| Filing application for certificate of authority, and issuance of certificate of authority, including filing of all charter documents, financial statements, service of process, power of attorney, examination reports and other documents included with and part of the application | \$1,000 |
| Annual fee for continuation of certificate of authority per kind of insurance | 200 |
| Reinstatement of certificate of authority | 150 |
| Amendment to certificate of authority | 200 |
| Charter documents—filing amendment to any charter document | 10 |

Annual statement:

| | |
|---|-----|
| Annual statement of insurer, filing | 200 |
| Annual statement, filing for nonprofit health care plans..... | 200 |
| Annual report of prepaid dental plans..... | 200 |
| Annual report of HMO..... | 200 |
| Annual statement of fraternal..... | 100 |

Insurance vending machine license:

| | |
|--|----|
| Filing application for original license and issuance of license, each machine..... | 25 |
| Biennial continuation of license, each machine..... | 50 |

Advisory organization license:

| | |
|---|-----|
| Filing application for license and issuance of license..... | 100 |
| Annual continuation of license | 100 |

Nonprofit health care plans:

| | |
|--|-----|
| Filing application for preliminary permit and issuance of permit..... | 100 |
| Certificate of authority, application, issuance, continuation, reinstatement, charter documents, the same as for insurers. | |
| Annual statement, filing..... | 200 |

Insurers' Fees (cont.)

§§ 59A-6-1; 59A-6-1.2; 59A-44-36; 59A-7-1; 59A-7-4; 59A-7-6 (cont.)

Premium finance companies:

| | |
|---|-------|
| Filing application for license and issuance | \$100 |
| Annual renewal | 100 |

Motor clubs:

| | |
|--|-----|
| Filing application for original certificate of authority and issuance COA..... | 200 |
| Annual continuation of COA | 100 |
| Motor club representative | 30 |
| Biennial continuation of registration or license, each representative | 60 |

Health maintenance organizations:

| | |
|--|-------|
| Filing application for certificate of authority..... | 1,000 |
| Annual continuation of COA | 200 |
| Filing each annual report | 200 |
| Amendment to organizational documents..... | 200 |
| Informational amendments | 50 |

Risk retention groups and purchasing groups:

| | |
|---|-----|
| Original registration..... | 500 |
| Annual continuation of registration | 200 |

Fraternal:

| | |
|---|-----------|
| Certificate of authority continuation, depending on membership..... | 50 to 100 |
| License of agent or annual continuation | 30 |
| Annual continuation of appointment of fraternal agent | 20 |

Prearranged funeral insurance:

Application for certificate of authority, issuance, continuation, reinstatement, charter documents, filing annual statement, licensing of sales representatives—same as for insurers.

Forms or rates filing for lines other than property or casualty:

| | |
|--|----|
| Rates..... | 50 |
| Major form—each new policy and each package submission which can include multiple policy forms, application forms, rider forms, endorsement forms or amendment forms | 30 |
| Incidental forms and rates—forms filed for information purposes; riders, applications, endorsements and amendments filed individually; rate service organization reference filings; rates filed for information purposes | 15 |

Insurers’ Fees (cont.)

§§ 59A-6-1; 59A-6-1.2; 59A-44-36; 59A-7-1; 59A-7-4; 59A-7-6 (cont.)

Forms or rates filing for lines other than property or casualty (cont.)

Pursuant to SB108, effective July 1, 2017, NMSA 1978, §§ 59A-7-5, 8 and 9 were repealed, and NMSA 1978, §§ 59A-7-1, 4 and 6 were significantly amended. Among the changes, “Title” was added as a “Casualty” line. Insurers writing multiple lines of business identified within NMSA 1978, §§ 59A-7-1, 4 and 6 may refer to Bulletin 2019-008 for guidance related to the fee calculation for the 5 groupings A,B,C,D and E identified in NMSA 1978, §§ 59A-6-1.2.

Property and casualty annual rates and forms filing fees:

The annual filing fee for rates and forms due in advance on July 1 for each company in the following groupings shall be equal to the product produced by multiplying 0.003 by the company’s previous calendar year’s direct written premium as shown on its annual financial statement, but not to exceed \$1,500 and not to be less than \$100 for the following:

- A. private passenger automobile—liability and physical damage;
- B. homeowner’s and farm owners’;
- C. workers’ compensation;
- D. other casualty, including surety and fidelity; and
- E. other property.

Miscellaneous services:

Service of process, acceptance by superintendent and issuance of certificate of service \$10
 For each signature and seal of superintendent affixed to any instrument 10

→ Producers’ Licensing Fees:

§§ 59A-6-1; 59A-12-26

Producers’ licenses:

Filing application for original producer license
 and issuance of license 30
 Biennial continuation of license..... 60

Producer license - agency business entity license and affiliations:

Filing application for original agency business entity license and issuance of license..... 30
 Biennial continuation of license..... 60
 Filing of individual affiliation..... 20
 Annual continuation of individual affiliation..... 20

Appointment of producer:

Filing appointment, per kind of insurance, each insurer 20
 Annual continuation of appointment, per kind of insurance, each insurer 20

Producers’ Licensing Fees (cont.)

§§ 59A-6-1; 59A-12-26 (cont.)

Viatical settlement license:

Providers:

| | |
|---|---------|
| Filing application for original license and issuance of license | \$1,000 |
| Biennial continuation of license..... | 400 |

Brokers:

| | |
|---|-----|
| Filing application for original license and issuance of license | 100 |
| Biennial continuation of license..... | 200 |

Brokerages:

| | |
|--|-----|
| Filing application for original business entity license and issuance of license..... | 100 |
| Biennial continuation of license..... | 200 |
| Filing of individual affiliation..... | 20 |
| Annual continuation of individual affiliation..... | 20 |

Insurance consultant license:

| | |
|---|-----|
| Filing application for original license and issuance of license | 50 |
| Application examination..... | 75 |
| Biennial continuation of license..... | 100 |

Insurance consultant business entity license and affiliations:

| | |
|--|-----|
| Filing application for original surplus lines brokerage business entity license and issuance of license | 50 |
| Biennial continuation of license..... | 100 |
| Filing of individual affiliation..... | 20 |
| Annual continuation of individual affiliation..... | 20 |

Temporary license:

| | |
|--------------------------|----|
| Filing application | 30 |
|--------------------------|----|

Third party administrators:

| | |
|--|-----|
| Filing application for original business entity insurance administrator license..... | 100 |
| Biennial continuation or renewal of annual license | 200 |
| Filing of annual report | 50 |

Surplus lines broker license:

| | |
|---|-----|
| Filing application for license and issuance of license..... | 100 |
| Biennial continuation of license..... | 200 |

Surplus lines brokerage business entity license and affiliations:

| | |
|--|-----|
| Filing application for original surplus lines brokerage business entity license and issuance of license | 100 |
| Biennial continuation of license..... | 200 |
| Filing of individual affiliation..... | 20 |
| Annual continuation of individual affiliation..... | 20 |

Producers' Licensing Fees (cont.)

§§ 59A-6-1; 59A-12-26 (cont.)

Adjuster license:

| | |
|---|------|
| Filing application for original license and issuance of license | \$30 |
| Biennial continuation of license..... | 60 |

Adjuster license business entity license and affiliations:

| | |
|--|----|
| Filing application for original surplus lines brokerage business entity license and issuance of license | 30 |
| Biennial continuation of license..... | 60 |
| Filing of individual affiliation..... | 20 |
| Annual continuation of individual affiliation..... | 20 |

Examination:

| | |
|--------------------------|----|
| License (each kind)..... | 75 |
|--------------------------|----|

Continuing education:

| | |
|--|---|
| Certification of credits (per credit hour reported)..... | 1 |
|--|---|

Miscellaneous:

| | |
|---|------|
| Duplicate license | \$30 |
| Name change | 30 |
| For each signature and seal of superintendent affixed to any instrument | 10 |

DEPOSITS:

§ 59A-5-18

Chart on last page specifies the general deposit required to be maintained for certificate of authority. Deposit is for the benefit of all policyholders and creditors wherever they are located. Whenever because of the volume of business being transacted by the insurer, or methods of doing business, or for other good cause the superintendent deems advisable for protection of policyholders and creditors, the superintendent may require an insurer to make and maintain a general deposit in reasonable amount greater than required under Schedule I of § 59A-5-16.

§ 59A-5-19

Chart on last page shows special deposit or surety bond required to qualify for and continue to hold a certificate of authority. Deposit is for the benefit of New Mexico policyholders and creditors.

→ **CONTACT PERSON**

Company Licensing Bureau

Ursula Almada: (505) 827-4524; Ursula.Almada@osi.nm.gov

Producers Licensing Bureau

Victoria Baca: (505) 827-4554; VictoriaA.Baca@osi.nm.gov

Vanessa DeJesus: (505) 827-4646; VanessaA.DeJesus@osi.nm.gov

Premium Taxes/Financial Audit Bureau

Patricia Martinez: (505) 476-0191; Patricia.Martinez4@osi.nm.gov

P&C Rate, Rule & Form Filing Bureau

Melissa Robertson: (505) 670-2704; Melissa.Robertson@osi.nm.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

§ 59A-5-16

| Minimum Capital, Surplus and Deposit Requirements | | | | | |
|---|--|-----------------|-----------------------------------|------------------------------------|---------------------------------|
| Property/Casualty Insurer | | | | | |
| <u>Premium Volume:</u> | <u>Under \$5 Million</u> | | <u>\$5 to \$10 Million</u> | <u>\$10 to \$25 Million</u> | <u>Over \$25 Million</u> |
| | <u>Number of Kinds of Insurance</u> | | | | |
| | <u>1</u> | <u>2</u> | | | |
| Basic Capital | 500,000 | 600,000 | 800,000 | 900,000 | 1,000,000 |
| Additional Surplus | 500,000 | 600,000 | Same as Under \$5 Million | Same as Under \$5 Million | Same as Under \$5 Million |
| General Deposit | 200,000 | 300,000 | 500,000 | 500,000 | 500,000 |
| Special Deposit | 200,000 | 300,000 | Same as Under \$5 Million | Same as Under \$5 Million | Same as Under \$5 Million |
| <u>Life/Health Insurer</u> | | | | | |
| <u>Premium Volume:</u> | <u>Under \$5 Million</u> | | <u>\$5 to \$10 Million</u> | <u>\$10 to \$25 Million</u> | <u>Over \$25 Million</u> |
| Basic Capital | 600,000 | | 700,000 | 800,000 | 900,000 |
| Additional Surplus | 400,000 | | 400,000 | 400,000 | 400,000 |
| General Deposit | 200,000 | | 200,000 | 200,000 | 200,000 |
| Special Deposit | 200,000 | | 200,000 | 200,000 | 200,000 |

NEW YORK

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

N.Y. Ins. Law §§ 9101; 9103

Premium includes all amounts received for insurance or reinsurance contracts including premium deposits, assessments, policy fees, membership fees, and other compensation, minus annuity considerations and returned premiums.

Tax § 1510

The term premium includes all amounts received as consideration for insurance or reinsurance contracts with health maintenance organizations for health services, other than for annuity contracts; and shall include premium deposits, assessments, policy fees, membership fees, and separate costs by carriers assessed upon their policyholders; and every other compensation, less return of dividends, and reinsurance executed. Gross direct premiums does not include ocean marine insurance or premiums paid by a joint association organized to purchase group health insurance for person over age 65. Does not include certain reinsurance premiums received from insurers authorized in New York.

Tax Rate:

Tax § 1510 Life Insurance

0.7% life insurance company premiums plus the greater of tax on allocated entire net income, allocated business and investment capital, alternative tax or minimum tax. This amount is not to exceed 2% of premiums (§ 1505(a)(2) limitation on tax), but not to be less than 1.5% of premiums (§ 1505(b) floor limitation on tax).

Tax § 1502-a Non-Life Insurance

1.75% accident and health premiums
2.00% non-life insurance company premiums

Tax § 1505-a MTA surcharge

17.0% allocated premium tax in a metropolitan commuter transportation district.

In addition, insurers are subject to franchise tax or retaliatory tax (see below).

Ins. § 5904

Risk retention group deemed a licensed foreign insurer for purposes of taxation.

Other Taxes and Assessments:

Ins. §§ 9104 and 9105 Fire Insurance Premium Tax

Foreign and alien insurers pay 2% tax for support of fire departments. Ins. § 9104 allows direct payment to New York and Buffalo pursuant to the individual cities' administrative codes.

Ins. § 7604 Public Motor Vehicle Liability Security Fund

Insurers issuing policies on vehicles transporting people for hire shall pay 3% of net direct premium on that type of insurance into fund.

Veh. & Traf. § 317 Motor Vehicle Financial Security Act

Expenses in connection with administration of the article shall be assessed to insurers writing automobile bodily injury coverage.

Veh. & Traf. § 363 Motor Vehicle Safety Responsibility Act

Expenses of administration shall be assessed to carriers issuing policies of motor vehicle bodily injury insurance. Insurers shall pay 25% of the total assessment on Mar. 10, June 10, Sept. 10 and Dec. 10.

Ins. § 5106 Comprehensive Motor Vehicle Insurance Reparation

American Arbitration Association prepares a semi-annual estimate of the expenses expected for the subsequent six-month period and this projected cost is assessed on a proportionate basis to those insurers named as respondents on cases forwarded to the American Arbitration Association in the preceding year.

Ins. § 5207 Accident Indemnification Corp.

Assess insurers writing auto liability coverage for expenses of corporation.

Fin. Servs. § 206 Department Operating Expenses

Assessment upon domestic insurers to defray costs of operating department, based on premiums. Estimated payments of 25% of assessment due Mar. 10, June 10, Sept. 10 and Dec. 10.

Ins. § 333 NAIC Committee on Valuation of Securities

Insurers may be assessed no more than a total of \$250,000 a year to defray the expenses of analysis of securities owned by insurers. Assessment will be made by superintendent based on information from committee.

Other Taxes and Assessments (cont.)

Tax §§ 1500 to 1520 Franchise Tax & MTA Surcharge

Any person doing insurance business, including a risk retention group, shall be subject to this tax.

The tax on life insurance is the greater of: 7.1% (for tax years ending Dec. 31, 2007 and later, 7.5% for tax year ending Dec. 31, 2006 and prior) of the taxpayers entire net income (as defined in the statute); or 1.6 mills for each dollar of business and investment capital; or 9% of 30% of entire net income plus salaries minus \$15,000 and any net loss; or \$250. Add to the highest tax computed above 0.8 mill for each dollar of subsidiary capital allocated within the state plus the premium tax computed. However, the amount of tax, computed without regard to any credits except enterprise zone credit and economic development zone capital corporation credit, is limited to 2% of taxable premiums. In no event may the tax on life insurance corporations, computed prior to the application of any tax credits, be less than 1.5% of the premiums subject to tax under Tax § 1510.

Non-life insurers are subject to a franchise tax imposed under Tax § 1502-a, which is based solely on gross direct premiums, less return premiums. Gross direct premiums, less return premiums, are taxed at the rate of 2%, except accident and health premiums, which are taxed at the rate of 1.75%. In no event may the tax imposed under Tax § 1502-a, before the application of credits, be less than \$250.

Insurers doing business in the Metropolitan Transportation District (the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester) are subject to the MTA Surcharge. The surcharge is computed on the allocated franchise tax, less tax paid on premiums related to Federal Flood insurance, to the district at the rate of 17%.

Ins. § 9108 Fire Insurance Fee; Circular Letter No. 19 (1982)

Insurers shall collect a fee of 1.25% of gross direct premiums from each holder of a policy issued for the coverage of peril of fire. Excluded from the fee are policies issued for the protection of household furnishings and/or policies issued to protect one or two-family residential structures, schools, churches and hospitals. The fee does not apply to inland marine, ocean marine, automobile or aircraft physical damage premiums and is not applicable to premiums for extended coverage, other allied lines, liability and other casualty coverage. The fee shall not be absorbed by the insurer. It is not considered premium for purposes of commissions and premium taxes and is not considered in the retaliatory tax computation.

Ins. § 9110 Motor Vehicle Law Enforcement Fee; Circular Letter No. 13 (2009)

This section requires insurers to collect an annual fee of \$10 from each holder of a motor vehicle liability insurance policy for each registered motor vehicle. It is not considered premium for purposes of commissions and premium taxes and is not considered in the retaliatory tax computation.

→ Workers' Comp. § 108 Workers' Compensation Security Fund

Pay no more than 2% of net written premiums. No contributions were required for 2022.

Other Taxes and Assessments (cont.)

Workers' Comp. § 151 Workers' Compensation Fund Administration

Insurers shall collect a fee based on standard written premiums from each holder of a workers' compensation policy issued for the coverage. Pursuant to Workers' Comp. § 151, the fee is expected to be sufficient to fund all estimated expenses of: (a) the Board's administrative programs, including the volunteer ambulance workers' benefit law, the volunteer firefighters' benefit law, the disability benefits law, (b) the workmen's compensation act for civil defense volunteers, (c) inter-departmental programs at the departments of health and law, (d) subparagraph four of paragraph (e) of subdivision eight of Workers' Comp. § 15 for the special disability fund, (f) debt service obligations associated with Workers' Comp. § 50-c for in accordance with authorized financing agreements, (g) subdivision three of Workers' Comp. § 25-a for the fund for reopened cases, and (h) the amount described in Workers' Comp. § 214 for the special fund for disability benefits. Such fee shall be collected by the carriers and remitted to the Board quarterly. It is not considered premium for purposes of commissions and premium taxes and is not considered in the retaliatory tax computation.

Workers' Comp. § 15(9) Rehabilitation of Injured Employees

Compensation insurers pay \$2,000 into this fund for each covered injury causing death where there are no persons entitled to compensation.

Ins. § 5405 New York Property Insurance Underwriting Association (Fire Pool)

Provides for the assessment of participating insurers to fund an operating deficit of the association, not to exceed 1% of an insurer's surplus to policyholders.

→ Ins. § 7603 Property and Casualty Insurance Security Fund

Member insurers shall be assessed a percentage of net direct written premium until the pre-insolvency assessment fund reaches a specified limit. Once this limit has been met, and subsequent payments reduce the fund below the limit, assessments are resumed and made ratably on the kinds of insurance for which payments were made from the fund. Rate of assessment per line changes annually. No contributions were required for 2022.

Ins. § 7709 Life and Health Guaranty Corporation

May assess member insurers for administrative expenses which is to be credited against insolvency assessments. May assess no more than 2% premiums on the kinds of insurance in the account with the deficiency. Assessments are based on admitted assets:

| Admitted Assets | Maximum Assessment |
|---------------------------------|--------------------|
| Up to \$50,000,000 | \$200 |
| \$50,000,000 to \$1,000,000,000 | 1,000 |
| \$1,000,000,000 or more | 2,000 |

Exclusions and Deductions:

Ins. § 4524 Fraternal Benefit Societies

Fraternal are exempt from premium, franchise taxes and any other tax levied by the state, county, city, etc., other than taxes on real estate and office equipment.

Ins. §4310 Nonprofit Health Service Corporation

Health service corporations are exempt from every state, county, municipal and school tax.

Ins. §6707 Nonprofit Property/Casualty Insurance Companies

A nonprofit property/casualty company is exempt from the franchise tax.

Credits:

Tax § 1511 Credits Against Franchise Tax

In addition to the credits listed individually below, the following are also available: investment tax credit for financial services, special additional mortgage recording tax credit, a brownfield redevelopment tax credit, remediated brownfield credit for real property taxes, low-income housing, green building credit, credit for long-term care insurance premiums for qualified plans, hire a vet credit, excelsior jobs program tax credit, economic transformation and facility redevelopment program tax credit, rehabilitation of historic properties, and empire state jobs retention program.

Tax § 1511(a) Fire Tax Credit

A credit for the fire department premium tax is allowed; however, no unused credit may be carried forward. This credit is based on the Fire Insurance Premium Tax imposed under Ins. §§ 9104 and 9105. A dollar-for-dollar credit is allowed for the amount paid under the prior law sections.

Tax § 1511(b) Credit for reciprocal taxes

Credit is also allowed for New York companies for the reciprocal taxes paid under the Ins. § 1112.

Tax § 1511(c) Retaliatory Tax Credit

Domiciliary insurers may take 90% of the retaliatory taxes they pay in other jurisdictions as a credit against the franchise tax.

Credits (cont.)

Tax § 1511 Credit for Certain Investments in Certified Capital Companies (CAPCO Credit)

Insurers are allowed to claim a credit for 100% of the amount invested in certain certified capital companies. The credit may be carried forward 10 years at rate of 10% each year.

The CAPCO must be certified by the Department of Economic Development. The credit cannot reduce the tax to less than the minimum of \$250.

A taxpayer is permitted to transfer or sell tax credits allowed under this subdivision, in whole or in part, to any affiliate within an affiliated group of taxpayers, who are subject to tax in this state under this article, such transfer or sale shall not affect the time schedule for claiming the credit transferred or sold. Any credit recaptured shall be the liability of the taxpayer who actually claimed the credit.

Ins. § 7712; Tax § 1511(f) Life and Health Guaranty Corporation

If assessments of insurers in a calendar year exceed \$100 million, a credit may be taken according to the formula contained in the statute.

Payment Due Dates:

Ins. § 1112 Retaliatory Tax

Estimated payment due Dec. 15 equal to 90% of the amount due for the second preceding calendar year or 80% of the amount finally determined to be due for the calendar year.

Tax §§ 1513 to 1516 Franchise Tax

Return due 3.5 months after end of tax period, for example, April 15 for a calendar year taxpayer. Require declaration of estimated tax by June 15 if tax can be expected to exceed \$1,000. If requirements are first met after May 31 and before Sept. 1, file by Sept. 15; if requirement first met between Sept. 1 and Dec. 1, file by Dec. 15. Estimates due: Effective for tax years on or after Jan. 1, 2009; if the preceding year's tax exceeds \$100,000, a non-life taxpayer is required to pay a first installment equal to 30% of the preceding year's tax. A life taxpayer is required to pay an amount equal to 40% of the preceding year's tax. Taxpayers who are required to pay the first installment at the 30% or 40% rate and are subject to the MTA surcharge, are also required to calculate their estimated tax for the MTA surcharge at such rate. For those non-life taxpayers whose preceding year's tax exceeded \$1,000 but was less than (or equal to) \$100,000, the mandatory first installment of estimated tax and estimated MTA surcharge remains at 25%. Estimates based on last year's tax liability or current year's expected liability. If have paid in estimates of 90% current year's tax, no underpayment penalties apply.

Penalties:

Ins. § 1112 Retaliatory Tax

Underpayments of estimated retaliatory tax subject to interest at rate set by commissioner of taxation based on average prime rate, not compounded.

Penalties (cont.)

Ins. § 9109 Department of Financial Services Fees and Taxes

If any payments under this law are not made on time, may assess penalty of \$100 to \$500 for failure to file a report or statement. 5% of the principal amount of any payment, plus an additional 1% for second and subsequent months may be added as a penalty.

Extensions:

Tax § 1513 Franchise Tax

May grant extension of time to file declaration of tax, not to exceed three months.

Tax § 1514 Franchise Tax

May grant extension for payment of tax, not to exceed six months. Two additional three-month extensions may be allowed if additional time is needed. Charge interest at rate based on average prime rate, or 6%.

Retaliatory Law:

Ins. § 1112

If insurers or agents domiciled in New York are required by another state to deposit securities, or pay taxes, fines, penalties, fees or any other sum greater than those required of similar insurers or agents by New York, retaliation will occur. This does not apply to insurers organized in states whose laws do not impose retaliatory taxes or which grant, on a reciprocal basis, exemptions to New York insurers. The department of financial services computes the retaliation in the manner used by the state of domicile and bills the company.

FEES

The department of financial services computes the retaliatory tax in the manner used by the state of domicile and bills the company.

Insurers' Fees:

Ins. § 9107

Insurer filings:

| | |
|---|------|
| For the initial filing by a domestic corporation of its declaration and charter..... | \$30 |
| For filing by a foreign or alien insurer of a certified copy of its charter incident to the issuance of a license | 30 |
| For initial issuance of a license or filing amendments to charter of domestic insurance corporations | 10 |

Insurers' Fees (cont.)

Ins. § 9107 (cont.)

Miscellaneous services:

| | |
|--|------|
| For each certificate of deposit, valuation, compliance, or other certificate | \$5 |
| For copying official records other than annual statements of authorized insurers, per hundred words | 0.10 |
| For copying annual statements compiled by authorized insurers, per page | 0.50 |

Agents' appointment..... retaliatory

Producer Licensing Fees:

Ins. §§ 2103 to 2104

Agents' license:

| | |
|--|----|
| \$40 per year, biennial renewal | 80 |
| Partnership, Corporation or LLC—\$40 per sublicensee per year, biennial renewal..... | 80 |

Brokers' license:

| | |
|--|----|
| \$40 per year, biennial renewal | 80 |
| Partnership, Corporation or LLC—\$40 per sublicensee per year, biennial renewal..... | 80 |

Paid by individual. Duplicate license fee of \$15, late fee of \$10, and continuing education filing fee of \$10 if continuing education is required. No retaliatory fee for certification, letters of clearance, or duplicate licenses.

DEPOSITS

Ins. § 4104 Domestic Property/Casualty Insurers

Deposit \$500,000 or minimum capital or surplus, whichever less, but not less than \$400,000 for companies writing two or more types of insurance. If the property/casualty insurer was initially licensed prior to July 1, 1982, the deposit requirements are reduced by 50%.

Ins. § 4206 Domestic Life and Health Insurance

Deposit \$100,000 except companies initially licensed after July 1, 1982, shall deposit \$200,000. An additional deposit of \$200,000 is required if an insurer writes accident and health.

Ins. § 1319 Foreign Insurers

Each foreign insurer shall deposit with the New York superintendent, or with the officer of its home state, securities equal to the requirement for domestic insurers.

→ **CONTACT PERSON**

Department of Financial Services, Retaliatory Tax

Steven McClellan: (518) 473-7897; retaltax@dfs.ny.gov

Corporation Tax

Sue Tennyson: (518) 389-4913; Suzanne.Tennyson@tax.ny.gov

Richard Rintrona: (518) 389-4909; Richard.Rintrona@tax.ny.gov

→ Workers' Compensation

Steven Scotti: (518) 408-0469; Steven.Scotti@wcb.ny.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

NORTH CAROLINA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

N.C. Gen. Stat. § 105-228.5; 17 N.C. Admin. Code (NCAC) 5E.0103

Gross premiums with no deductions whatsoever except for contracts of reinsurance and return of premiums. Premiums received from policies or contracts issued in connection with the funding of a qualified pension or profit-sharing plan are exempt. Federal employees' health benefits plan premiums, Medicare, and Medicaid or NC Health Choice premiums are exempt to the extent federal law prohibits their taxation. Annuity and funding agreement considerations are exempt from premium tax. Finance charges are included in gross premium.

Tax Rate:

§ 105-228.5

1.9%

2.5% workers' compensation

0.74% additional rate on property coverage contracts applies to gross premiums on insurance contracts for property coverage. The tax is imposed on 10% of the gross premiums from insurance contracts for automobile physical damage coverage and 100% of the gross premiums from all other contracts for property coverage. (Please see § 105-228.5(d)(3)b for a list of the lines of business included in property coverage.)

1.9% non-profit service corporations

1.9% HMOs

1.9% Prepaid Health Plans

§ 58-22-20

5% risk retention group

§ 58-21-85

5% surplus lines insurance

[Note: Please see the Surplus Lines chart at the end of this volume for further information.]

Other Taxes and Assessments:

§ 58-6-25 Insurance Regulatory Charge

Each insurer subject to premium tax shall pay an annual charge to defray the costs of regulating the industry. The rate for 2022 is 6.5% of the premium tax liability before guaranty fund credits are deducted, excluding the retaliatory tax.

§ 97-40.1 Second Injury Fund

To provide money for this fund, the industrial commission may assess insurers based on losses paid out.

§ 58-48-35 Property and Casualty Guaranty Association

May assess insurers no more than 2% net direct written premium for preceding year for the kind of insurance in the account with the deficiency. Workers' compensation is covered by this fund.

§ 58-62-41 Life and Health Guaranty Association

Insurers may be assessed an assessment of no more than 2% of premiums on kinds of insurance in the account with the deficiency.

§ 105-228.10 Preemption

No city or county may levy on a person subject to the tax levied in this article a privilege tax or a tax computed on the basis of gross premiums.

Exclusions and Deductions:

§§ 58-24-115; 105-228.5 Fraternal Benefit Societies, Farmers' Mutual Assessment Fire Insurance Companies

Fraternals, mutual assessment fire insurers are exempt from premium tax.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

The state of North Carolina will not collect premium taxes on federally reinsured crop insurance because of 10th circuit court decision.

Credits:

§ 105-228.5A Guaranty Associations

Member insurers of the life and health and property and casualty guaranty associations who pay an assessment are allowed a credit against premium tax at a rate of 20% of the assessment in each of the five years following the year in which the assessment is paid. Credit limited to tax liability.

Credits (cont.)

§§ 105-129.70 to 105-129.75 Rehabilitate Historic Mill Property

A credit may be claimed against the gross premium tax for making qualified rehabilitation expenditures of at least \$3,000,000 with respect to a certified rehabilitation of an eligible site that qualifies for the federal credit. For an eligible site located in an enterprise tier one or two area, determined as of the date of the eligibility certification, the amount of credit is equal to 40% of the qualified rehabilitation expenditures. For an eligible site located in an enterprise tier three area, determined as of the date of the eligibility certification, the amount of credit is equal to 30% of the qualified rehabilitation expenditures.

§§ 105-129.80 to 105-129.88 Growing Businesses

Tax credits provided under Art. 3J are allowed to be taken against the gross premium tax. May treat some or all of the credit claimed as a tax payment made by or on behalf of the taxpayer owner. The total Art. 3J credits claimed by the taxpayer may not exceed 50% of the taxpayer's tax liability for the year, but unused credits may be carried over as specified. A credit claimed that is treated as a tax payment does not accrue interest if the payment is determined to be an overpayment.

§§ 105-129.16A; 105-129.17(a) Credit for Investing in Renewable Energy Property

Effective for tax years beginning on or after Jan. 1, 2009, a credit is allowed to a taxpayer that has constructed, purchased, or leased renewable energy property places it in service in this state during the taxable year, the taxpayer is allowed a credit equal to 35% of the cost of the property. In the case of renewable energy property that serves a nonbusiness purpose, the credit must be taken for the taxable year in which the property is placed in service. For all other renewable energy property, the entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in five equal installments beginning with the taxable year in which the property is placed in service.

The credit allowed in § 105-129.16A is allowed against the franchise tax levied in Art. 3 of this Chapter, the income taxes levied in Art. 4 of this Chapter, or the gross premiums tax levied in Art. 8B of this Chapter. All other credits allowed in this Article are allowed against the franchise tax levied in Art. 3 of this Chapter or the income taxes levied in Art. 4 of this Chapter. The taxpayer must elect the tax against which a credit will be claimed when filing the return on which the first installment of the credit is claimed. This election is binding. Any carry forwards of a credit must be claimed against the same tax.

§§ 105-129.105 to 105-129.110 Credit for Rehabilitating Historic Structure

A taxpayer who is allowed a federal income tax credit under I.R.C. § 47 for making qualified rehabilitation expenditures for a certified historic structure located in this state is allowed a credit against the gross premium tax.

Payment Due Dates:

§§ 105-228.5; 105-228.9; 58-6-25(c)

Annual return due Mar. 15. Three installments of at least 33.33% of premium tax shall be made April 15, June 15, and Oct. 15 if the preceding year premium tax was greater than \$10,000. Department regulatory charge shall be filed on the same basis as premium tax returns. Tax returns administered by the Department of Insurance are surplus lines, risk retention groups and independently procured insurance. All other insurance tax returns are administered by the Department of Revenue.

Penalties:

§ 105-228.5

Underpayment penalty interest rate set by Secretary of Revenue.

Extensions:

No specific provision for extensions.

Retaliatory Law:

§ 105-228.8

If premium taxes, on an aggregate basis, imposed on North Carolina companies are in excess of the premium taxes directly imposed upon similar companies by North Carolina law, North Carolina shall impose the same rates on such similar companies. If the laws of another state retaliate on North Carolina companies on other than an aggregate basis, the Secretary of Revenue will retaliate on the same basis. Licenses and fees are not included in retaliatory computation.

Retaliatory tax section does not apply to special purpose obligations or assessments based on premiums imposed in connection with particular kinds of insurance, to the special purpose regulatory charge imposed under § 58-6-25 or to dedicated special purpose taxes based on premiums.

→ **FEES**

§§ 58-6-5; 58-65-55; 58-67-160; 58-93-30; 58-6-7; 58-7-21; 58-22-70; 58-21-20; 58-22-60; 58-33-125; 58-27-10; 58-58-210; 58-69-10; N.C. Memorandum No. 11-9-2010 (#2); Department website
 [Fees in brackets were in effect prior to 7/7/2022.]

Insurers' Fees:

If no fee is listed for a service, there is no charge. North Carolina does not retaliate on fees.

License:

| | |
|---|---------|
| Prepaid Health Plan application..... | \$2,000 |
| Insurer license application | 1,000 |
| HMO license application | 500 |
| Service corporation license application | 250 |
| Prepaid Health Plan continuation fee..... | 5,000 |
| HMO annual license continuation fee..... | 2,000 |
| Service corporation annual continuation fee (full service) | 2,500 |
| Service corporation annual continuation fee (single service)..... | 1,500 |
| Insurer annual license continuation fee..... | 2,500 |
| Farm mutual annual license continuation fee. | 25 |
| Fraternal annual license continuation fee..... | 500 |

Risk retention group:

| | |
|--|-------|
| Risk retention group initial filing fee..... | 500 |
| Risk retention group renewal fee | 1,500 |
| Purchasing group initial filing fee..... | 500 |
| Purchasing group renewal fee..... | 100 |

Surplus lines:

| | |
|---------------------------------------|-------|
| Surplus lines initial filing fee..... | 500 |
| Surplus lines renewal fee | 1,000 |

Mortgage or title insurer:

| | |
|------------------------------|-------|
| License application | 1,000 |
| Annual continuation fee..... | 2,500 |

Companies issuing collateral loan certificates:

| | |
|-------------------|-------|
| License fee | 500 |
| Renewal fee..... | 1,000 |

Motor club:

| | |
|---------------------------|-----|
| License or renewal | 600 |
| Branch office..... | 100 |
| Franchise motor club..... | 200 |

Insurers' Fees (cont.)

§§ 58-6-5; 58-65-55; 58-67-160; 58-93-30; 58-6-7; 58-7-21; 58-22-70; 58-21-20; 58-22-60; 58-33-125; 58-27-10; 58-58-210; 58-69-10; N.C. Memorandum No. 11-9-2010 (#2); Department website (cont.)
 [Fees in brackets were in effect prior to 7/7/2022.]

Agent appointments:

| | |
|---|------|
| Agent appointment, individual..... | \$10 |
| Agent appointment, Medicare supplement | 10 |
| Agent appointment, limited representative | 20 |
| Agent appointment, cancel..... | 10 |

Appointment and termination fees are paid by the company.

Miscellaneous services:

| | |
|--|---------------|
| Accredited reinsurer annual filing | 750 |
| Photocopy charge..... | 0.50/per page |

→ Producer Licensing Fees:

Agent:

| | |
|--|-----|
| Agent, etc., license application | 50 |
| Med. Supp/LTC agent application | 50 |
| Fingerprint fee (initial application)..... | 38 |
| Corporation application | 100 |
| Initial application processing fee | 44 |

Adjuster:

| | |
|---|----|
| Company/Firm adjuster | 75 |
| Registration fee..... | 50 |
| Initial application processing fee..... | 44 |
| Renewal processing fee | 34 |
| Adjuster, crop/hail only | 20 |
| Registration fee (hail)..... | 50 |
| Initial application processing fee (hail) | 44 |
| Renewal processing fee (hail) | 34 |

Public adjuster:

| | |
|---|----|
| Public Adjuster | 75 |
| Registration fee..... | 50 |
| Initial application processing fee..... | 44 |
| Renewal processing fee | 34 |
| Fingerprint fee (initial application) | 38 |

Public Adjuster Business Entity:

| | |
|---|-----|
| Business Entity | 100 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |
| Key person fingerprint fee (initial app)..... | 38 |

Producer Licensing Fees (cont.)

§§ 58-6-5; 58-65-55; 58-67-160; 58-93-30; 58-6-7; 58-7-21; 58-22-70; 58-21-20; 58-22-60; 58-33-125; 58-27-10; 58-58-210; 58-69-10; N.C. Memorandum No. 11-9-2010 (#2); Department website (cont.)
 [Fees in brackets were in effect prior to 7/7/2022.]

[Broker:]

| | |
|-----------------------------------|-------|
| [Resident or nonresident | \$50] |
| [Application processing fee | 44] |
| [Renewal processing fee | 34] |

Corporation license:

| | |
|----------------------------------|-----|
| Corporation license | 100 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |

Partnership license:

| | |
|----------------------------------|-----|
| Partnership license | 100 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |

Viatical settlement broker:

| | |
|---|-----|
| Viatical settlement broker | 500 |
| Application processing fee | 44 |
| Fingerprint fee (initial license) | 38 |
| Renewal processing fee | 34 |

Surplus lines:

| | |
|----------------------------------|---------------------------|
| Individual | 50 |
| Application processing fee | 44 + NIPR transaction fee |
| Renewal processing fee | 34 |
| Corporation | 100 |
| Application processing fee | 44 + NIPR transaction fee |
| Renewal processing fee | 34 |

Purchasing group:

| | |
|--|----|
| Purchasing group appointment fee (paid by the carrier) | 50 |
| Annual appointment fee (paid by the carrier) | 50 |

Limited insurance license:

| | |
|--|-----|
| Rental car | 100 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |
| Limited representative cancellation | 10 |
| Limited representative appointment fee | 20 |

Producer Licensing Fees (cont.)

§§ 58-6-5; 58-65-55; 58-67-160; 58-93-30; 58-6-7; 58-7-21; 58-22-70; 58-21-20; 58-22-60; 58-33-125; 58-27-10; 58-58-210; 58-69-10; N.C. Memorandum No. 11-9-2010 (#2); Department website (cont.)
[Fees in brackets were in effect prior to 7/7/2022.]

Miscellaneous services:

| | |
|---|------|
| Auto damage appraiser | \$75 |
| Registration fee..... | 50 |
| Initial application processing fee..... | 44 |
| Renewal processing fee..... | 34 |

DEPOSITS

§ 58-5-55 Domestic Companies

Stock companies must deposit required statutory capital. Domestic mutual companies deposit at least 50% of minimum required surplus. Security deposits made by domestic insurers are for the benefit of all policyholders, not just North Carolina policyholders.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

§ 58-5-5 Foreign Fire, Marine, or Fire and Marine Insurers

Every company chartered in another state shall deposit \$100,000.

§ 58-5-10 Foreign Fidelity, Surety, and Casualty Insurers

Every such company chartered in another state shall deposit \$200,000.

→ § 58-15-30 Foreign Reciprocal Insurers

Every such company chartered in another state shall deposit \$400,000.

§ 58-5-50 Foreign Life Insurers

Deposit securities having \$400,000 market value plus an additional \$200,000 if the company cannot show three years of net operational gains.

§ 58-67-25 Health Maintenance Organizations

A minimum deposit of \$500,000 for all full service medical health maintenance organizations or a minimum \$25,000 deposit for all single service health maintenance organizations is required.

§ 58-93-35 Prepaid Health Plans

A minimum deposit of \$500,000 is required.

Deposits (cont.)

Dec. 8, 2003, Memorandum to all Surety Companies writing Bail Bond Business in North Carolina

In addition to the requirements above pursuant to § 58-5-10 Foreign Fidelity, Surety, and Casualty Insurers, pursuant to § 58-5-40 surety companies writing bail bond business must establish an additional deposit having \$1 million market value. Deviations from this requirement will be considered on a case-by-case basis.

[Note: Security deposits made in accordance with above three statutes by foreign insurers are primarily for the benefit of North Carolina policyholders but are also for the protection on nonresident policyholders who hold policies on property located in this state.]

CONTACT PERSON

Department of Revenue, Premium Tax

Latoya Parmele: (919) 754-2600; latoya.parmele@ncdor.gov

Insurer Fees

Tamla Dunson (919) 807-6164; tamla.dunson@ncdoi.gov

Producer Licensing Fees

Agent Services Division (919) 807-6800; asd@ncdoi.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

NORTH DAKOTA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

N.D. Cent. Code § 26.1-03-17

Gross amount of premiums, assessments, subscriber fees, membership fees, policy fees, service fees collected by third party administrators (except for administrative services to the North Dakota Department of Human Services) and finance charges. Annuity considerations are not included.

§ 26.1-12-31

Taxable premiums for a mutual insurer are gross premiums less any amount paid for reinsurance and returned premiums.

Tax Rate:

§ 26.1-03-17

2% life insurance

1.75% accident and health insurance

1.75% all other lines

Minimum payment \$200 filing fee, credited against tax paid.

§ 26.1-46-03

Risk retention groups taxed at same rate as foreign admitted insurer except for risk retention groups with less than 26 resident members or insureds.

Other Taxes and Assessments:

§ 26.1-08-09 Health Insurance Pool

Members may be assessed for deficiencies in the pool.

§ 26.1-42.1-05 Property and Casualty Guaranty Association

Association may assess no more than 2% net direct written premium to cover cost of insolvency.

Other Taxes and Assessments (cont.)

§ 26.1-38.1-06 Life and Health Guaranty Association

Association may assess insurers at its discretion for administrative expenses plus no more than 2% average net written premiums for preceding three years for the type of coverage provided in the account with the deficiency.

§ 26.1-36.7-06 Reinsurance Association of North Dakota

Members will be assessed to fund the operations of the association.

Exclusions and Deductions:

§ 26.1-15.1-24 Fraternal Benefit Societies

Fraternal are exempt from the payment of premium tax.

Crop Insurance

North Dakota does not collect premium tax on federal crop insurance products including multi-peril crop. This is due to mutual agreement with the FCIC that the state is preempted from doing so.

Credits:

§ 26.1-03-17; N.D. Admin. Code (NDAC) 45-03-06-04 Examination Fees and Home Office

May take a tax credit for an amount equal to the examination fees paid to the North Dakota Department of Insurance, and a credit for ad valorem taxes on the premises occupied as the principal office in the state for over 50% of the year for which tax is paid. The credits under this subsection must be prorated on a quarterly basis and may not exceed the total tax liability under subsection 1.

§ 26.1-50-06 Low-Risk Incentive Fund

Tax credit for insurer making or participating in incentive fund to make loans to low-risk businesses for primary sector business projects in North Dakota. Statute includes method of calculating credit based on interest would have earned. Credits for all insurers under this section may not exceed \$750,000 per calendar year.

§ 26.1-38.1-10; NDAC 45-03-06-04 Life and Health Guaranty Fund

Assessment may be taken as a credit to the extent of 20% per year, for five years beginning year after assessment paid.

§ 26.1-03-17; NDAC 45-03-06-04 Health Insurance Association

Credit amount of any assessment paid to health insurance pool against premium tax in the year assessment is paid.

Credits (cont.)

§ 26.1-03-17 Reinsurance Association of North Dakota

Credit amount of any assessment paid to the association against premium tax in the year assessment is paid.

Payment Due Dates:

§ 26.1-03-17; NDAC 45-03-06-03

Return due Mar. 1. Postmarks are acceptable. Pay estimates quarterly. Make each payment at least 25% of total tax paid last year or 80% of tax due on premium for quarter.

NDAC 45-03-06-03

Quarterly estimates due May 30, Aug. 29, Nov. 29 and reconciled Mar. 1. Statements are due each quarter even if no tax is owed.

Penalties:

§ 26.1-03-17

A penalty of \$100 plus \$25 per day, excepting the first day after the tax became due will be assessed to any late filing of a statement or tax due. Any company failing to file a tax statement when the tax is zero shall be subject to a penalty of \$25 per day, not to exceed \$500. Failure to pay the minimum filing fee due Mar. 1 annually for those companies with a tax liability of less than \$200 will subject the company to the penalties described.

Extensions:

§ 26.1-03-16

The commissioner may grant an insurance company an extension beyond the date designated in this section and may waive or reduce any penalty during the extension, upon a showing of good cause by the insurance company.

Retaliatory Law:

§ 26.1-11-06

Whenever other states charge North Dakota insurers, fines, penalties, taxes or deposits higher than North Dakota would charge similar insurers, retaliation will result on an item-by-item basis.

FEES

Retaliation computed on a fee-by-fee basis.

Insurers' Fees:

§§ 26.1-01-07; 26.1-26-31.3

Application for admission:

| | |
|---|-------|
| Application for admission - company | \$500 |
| Applications for admission for county mutual, fraternal benefit and surplus lines companies | 100 |

Certificate of authority:

| | |
|--|-----|
| Certificate of authority issued upon admittance | 100 |
| Renewal of certificate of authority..... | 100 |
| Amendment or certified copy of certificate of authority | 50 |
| For filing articles of merger | 30 |
| For filing articles of incorporation or amendments | 25 |
| Insurance premium finance company license, annual renewal..... | 100 |

For issuing an annual reciprocal exchange license, the same fees as those applicable to the issuance of a certificate of authority.

Advisory organization:

| | |
|---------------|----|
| License | 50 |
|---------------|----|

Fraternal benefit:

| | |
|---|-----|
| For filing an annual report of a society, and issuing a license or permit to the society and for each renewal | 100 |
|---|-----|

Annual statement:

| | |
|------------------------------|----|
| Annual statement filing..... | 25 |
|------------------------------|----|

Examination:

| | |
|------------------------------|----------------------------|
| Examination of company | rate adopted by department |
|------------------------------|----------------------------|

Miscellaneous services:

| | |
|---|----|
| For filing the abstract of the annual statement of an insurance company for publication | 30 |
|---|----|

Insurance company producer appointment:

| | |
|--|----|
| For each insurer and renewal | 10 |
| <i>Appointment renewal fees are paid by the company annually by May 1.</i> | |

Examination:

| | |
|---|----|
| Investigating an insurance premium finance company, the actual expense and per diem incurred; but the per diem charge may not exceed..... | 50 |
|---|----|

Insurers’ Fees (cont.)

§§ 26.1-01-07; 26.1-26-31.3 (cont.)

Certificate:

| | |
|---|------|
| To a domestic insurance company showing a compliance with the compulsory reserve provisions of this title and the maintenance of proper security deposits, and for any renewal of the certificate | \$25 |
|---|------|

Nonprofit health service corporations and health maintenance organizations are subject to the same fees as any other insurance company.

Continuing education:

| | |
|---------------------|----|
| Course filing | 50 |
|---------------------|----|

Producer Licensing Fees:

§§ 26.1-01-07; 26.1-26-20

Producer Fees:

| | |
|---|-----|
| Producer’s license | 100 |
| Issuing surplus lines producer’s licenses | 100 |
| Annual renewal of surplus lines producer’s licenses | 25 |
| Consultant’s license | 100 |
| Consultant’s license annual renewal | 25 |
| Duplicate license | 10 |
| Individual producer biennial continuation fee | 25 |
| Letter of certification | 10 |
| Company appointment | 10 |
| Company appointment annual renewal | 10 |
| Third party administrator | 100 |
| Third party administrator annual renewal | 50 |
| Life settlement broker | 100 |
| Life settlement broker annual renewal | 12 |
| Life settlement provider application | 250 |
| Life settlement provider annual statement | 25 |
| Life settlement provider annual renewal | 100 |
| Public adjuster | 100 |

DEPOSITS

§ 26.1-05-23

A domestic life insurer must deposit securities equal to the net value of all the policies the company has in force.

CONTACT PERSON

Premium Tax

Jessica Davis: (701) 328-2440; jessdavis@nd.gov

Chief Examiner & Director

Matt Fischer: (701) 328-2440; mattfischer@nd.gov

Company Licensing

Matt Fischer: (701) 328-2440; mattfischer@nd.gov

Producer Licensing

Janelle Middlestead: (701) 328-2440; jlmiddlestead@nd.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

OHIO

→ **Arrow indicates an update for 2022**

PREMIUM TAX

→ Premium Tax Base:

→ Ohio Rev. Code Ann. § 3905.901

Bail bond premiums are taxed net of commissions. The company must attach an exhibit showing bail bond premium by state gross, and net with your premium tax return as required by the statute. Premiums reported net, cannot be less than 6.5% of gross premiums received by insurer's agents.

§ 5729.02

Gross premiums minus considerations received for reinsurance, dividends paid, and returned premiums. The premium tax return indicates annuity considerations are not included in the tax base. Insurance company includes a health insuring corporation (HIC). HICs include health maintenance organizations, prepaid dental plans, health care corporations, etc.

§ 5729.04

Certain premium dividends may be deducted from gross amount of premiums collected. For tax years beginning 2013, the dividend deduction added another line of business; "To the Extent Permitted by Law, Workers' Compensation".

Tax Rate:

§ 5729.03

Foreign insurers that are not health insuring corporations (HICs): 1.4%.

Foreign insurers that are HICs: 1%.

The minimum tax is \$250.

§ 3960.03

Foreign risk retention group 5% of all premiums, fees, assessments, due, or other considerations.

Other Taxes and Assessments:

→ § 3737.71 Fire Marshal Fund

An additional 0.75% tax is paid on fire insurance premiums by all insurers for the benefit of the fire marshal fund. The percentage of premium varies by line business. *See* Ohio Insurance Department Bulletin 94-2. (<https://insurance.ohio.gov/static/Legal/Bulletins/Documents/94-2.pdf>)

Other Taxes and Assessments (cont.)

§§ 5725.18 to 5725.181 Domestic Insurer's Franchise Tax

The tax imposed on domestic insurance companies that are not HICs is equal to 1.4% of gross premiums. Domestic insurers that are HICs: 1%. The minimum tax is \$250.

§ 3901.76 NAIC Securities Valuation Office

Domestic life insurers shall pay assessment for special account to help support NAIC Securities Valuation Office. Total amount assessed all insurers shall not exceed \$250,000.

§ 3955.08 Property and Casualty Guaranty Association

Association may assess insurers on basis of net direct premiums written on kinds of insurance in account with deficiency. Assessment for any one year not to exceed 1.5% of net direct premiums from the preceding year.

§ 3956.09 Life and Health Guaranty Association

Association may assess insurers writing such coverage no more than \$200 per year for administrative expenses and maximum of 2% of net direct premium for coverage written for account with deficiency.

Exclusions and Deductions:

§ 5729.03 Educational or Scientific Organizations

Exclude policies issued before April 15, 1967, by nonprofit life insurance company for the aid of educational or scientific organizations.

§ 3921.24 Fraternal Benefit Societies

Fraternals are exempt from all taxation except franchise and real estate taxes.

Crop Insurance

Ohio will not collect tax on federally reinsured crop insurance premiums.

Credits:

→ § 122.152 Rural Business Growth

A nonrefundable tax credit for credit-eligible contribution to a rural business growth fund. Certificate issued by the director of development.

Credits (cont.)

→ § 122.171 Job Retention Credit

A nonrefundable credit against tax is available for job retention. Certificate issued by the director of development.

→ § 149.311 Rehabilitation Tax Credit Certificate

A refundable credit against tax is available for rehabilitation of historic buildings. Certificate issued by the director of development.

§ 3956.20 Life and Health Guaranty Association

Assessments may be credited at rate of 20% per year for each of five years following the fiscal biennium in which the assessment was paid. Fiscal bienniums end on June 30 of each odd-numbered year.

§ 5729.031 Tax Credit

A tax credit is available to an insurer when the insurer and all affiliated companies in total write less than \$75,000,000 in direct premiums everywhere. This credit may be allocated among affiliated companies. Form INS7140 and all appropriate attachments must be submitted with the tax worksheet or the credit will be denied.

§§ 5725.31; 5729.07 Eligible Employee Training Costs Credit

A nonrefundable credit against tax is available for eligible training costs for taxpayers with a tax credit certificate issued by the director of job and family services.

§§ 5725.19; 5729.08 Venture Capital Credit

Upon the issuance of a tax credit certificate by the Ohio Venture Capital Authority under § 150.07, a refundable credit may be claimed against insurers' franchise and premium taxes in the calendar year specified in the certificate.

§§ 5725.32; 5729.032 Ohio Jobs Creation Credit

Upon the issuance of a tax credit certificate by the department of development under § 122.17, a refundable credit may be claimed against insurers' franchise and premium taxes in the calendar year specified in the certificate.

§§ 5725.33; 5729.16 Qualified Low-Income Community Investments Credit

A nonrefundable credit against tax is available for an insurance company holding qualified low-income community investments.

Credits (cont.)

§ 5725.34 Insurance Companies Holding Rehabilitation Tax Credit Certificate

A refundable credit against tax is available for an insurance company holding a rehabilitation tax credit certificate issued under § 149.311. The credit shall equal 25% of the dollar amount indicated on the certificate, but the amount of the credit allowed for any company for any year shall not exceed \$10 million. If the credit exceeds the amount of tax otherwise due in that year, the excess shall be refunded to the company but, if any amount of the credit is refunded, the sum of the amount refunded, and the amount applied to reduce the tax otherwise due in that year shall not exceed \$3 million.

→ § 5725.35 Transformational mixed use development tax credit.

The credit issued under §122.09 by the tax credit authority. The credit shall equal the dollar amount indicated on the certificate. The credit shall be claimed in the calendar year specified in the certificate and in the order required under § 5725.98. If the credit exceeds the amount of tax otherwise due in that year, the company may carry forward the excess for not more than 5 ensuing years, but the amount of the excess credit claimed against the tax for any year shall be deducted from the balance carried forward to the next year.

→ § 5729.98 Order of claims for tax credits and offsets

To provide a uniform procedure for calculating the amount of tax due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the order listed in § 5729.98.

For any credit except the refundable credits, the amount of credit shall not exceed the tax due. Any excess may be carried forward if authorized. A taxpayer shall not claim, directly or indirectly, a credit more than once for a taxable year.

Payment Due Dates:

§ 5729.05 Payment of Tax—Foreign Insurers

Return must be received electronically at the department of insurance on or before Mar. 1. Hardcopy tax returns are not acceptable without prior written permission. Email questions and requests for user IDs and passwords to taxes@insurance.ohio.gov. Tax due calculated from the annual statement must be received by the Treasurer of State of Ohio by Mar. 1, accompanied by form INS7215. The company may deduct tax already paid as an advance payment.

Advance Payment: On or before Oct. 15, each foreign insurer shall pay to the treasurer of state an amount equal to one-half of the previous calendar year's tax liability, before credits. Invoices for advance payments are automatically calculated and placed on the Ohio Department of Insurance website. Companies must enter the secured premium tax database using their previously-assigned premium tax login user ID and password to print out their invoice. Enter the secured login through "Premium Tax Filings/Forms-Admitted Insurers Only". Then see "Ohio Treasurer October Advance Payment Invoice" on the "Tax Forms Index". Ohio does not require estimated payments.

Method of Payment/Timeliness:

Ohio Admin. Code (OAC) 113-4-01 Insurance Company Franchise Tax Payments

The payment of any tax bill issued by the treasurer of state or the superintendent of insurance upon the mutual agreement of the superintendent and the treasurer pursuant to § 5725.22 shall be made in accordance with the provisions of this rule. **This applies to all insurance premium tax payments.**

(A) Method of payment: Payments must be made by electronic funds transfer and payable to United States dollars.

(B) Timeliness of payment: Regardless of the method of payment used, the payment must be made to the treasurer on or before the due date specified on the tax bill or by the end of the first business day immediately following the due date, if such due date falls on a Saturday, a Sunday or a holiday. For purposes of determining the timeliness of a payment and the imposition of any penalty for late payment, as may be provided for by law, payment is considered to be made when it is received by the treasurer, irrespective of any United States postal service marking or other stamp or mark indicating the date on which the payment may have been mailed.

All tax payments need to be made to the Treasurer by ACH credit.

The website to obtain a form or register online for ACH credit payments is:
<http://eft.tos.ohio.gov/#/Home>.

Once you have registered for one of the ACH payment options the Treasurer's office will e-mail you the instructions for making payments, which are also included in this letter.

If you have any questions about this process you may contact the Treasurer's office directly regarding this process at (614) 752-8483 or view the FAQ's from the following web address:
<http://eft.tos.ohio.gov/#/FaqView>.

Penalties:

§§ 5725.221; 5729.101 Franchise and Premium Taxes

Interest on deficiencies and excesses shall be computed at a rate based on the federal short-term rate.

§ 5729.10 Premium Tax

Foreign insurers may have certificate of authority revoked for failure to pay tax or make report.

§ 5729.11 Penalty for nonpayment of taxes

If any foreign insurance company refuses to pay the tax levied by § 5729.03 upon demand being made therefor, it shall be liable to the state at the suit of the attorney general to a penalty of not more than \$500 per month for each month it has failed, after demand therefor, to pay the tax.

Extensions:

No specific provision for extension.

Retaliatory Law:

§ 5729.06

If the laws of another state, territory, or nation authorize charges for the privilege of doing business therein or taxes against insurance companies organized in this state exceeding the charges provided in §§ 5729.01 to 5729.15, like amounts shall be charged against all insurance companies of such state, territory, or nation doing business in this state, instead of the charges provided by said sections.

§ 3901.86

When the laws of any other state, district, territory or nation impose any taxes, fines, penalties, license fees, deposits of money, securities or their obligations or prohibitions on insurance companies of this state doing business in such state, district, territory or nation, or upon their agents, the same obligations and prohibitions shall be imposed upon insurance companies of such other state, district or nation doing business in the state and upon their agents. Retaliation against fees and taxes in the tax return is made in the aggregate.

FEES

Fees, including agents’ appointment fees, are aggregated on the tax return for purposes of retaliation. However, each division could retaliate on those fees not included on the tax return when the document is filed, or license obtained.

Insurers’ Fees:

§§ 1751.42; 1751.44; 3905.40; 3921.27; OAC 3901-9-01; 3901-1-57

Certificate of authority:

| | |
|--|-----|
| For each certificate of authority or license and certified copy thereof (nonfraternal) | \$5 |
| Annual renewal of certificate of authority (nonfraternal) | 175 |
| For each certificate of authority or license and certified copy thereof (fraternal) | 25 |

Articles of incorporation:

| | |
|--|-----|
| For filing a copy of its articles of incorporation for new companies | 250 |
| Each domestic mutual life insurance company shall pay for verifying that any amendment to its articles of incorporation was regularly adopted..... | 250 |

Annual statement:

| | |
|--|-----|
| For filing each statement (non-Health Insuring Companies)..... | 175 |
| For filing each statement (Health Insuring Companies) | 25 |

Insurers' Fees (cont.)

§§ 1751.42; 1751.44; 3905.40; 3921.27; OAC 3901-9-01; 3901-1-57 (cont.)

Holding companies:

| | |
|--|---------|
| Filing of Form A relating to the change of control or takeover of a domestic insurance company | \$2,500 |
| Filing for an exemption from the Form A requirements..... | 1,000 |
| Filing of any Form D required..... | 250 |
| Filing of a petition of merger or consolidation of a life, accident or health insurance company..... | 1,500 |

Health insuring corporations' fees:

| | |
|---|-------|
| Certificate of authority..... | 1,500 |
| Modification of operations..... | 300 |
| Service area expansion..... | 300 |
| Evidence of coverage..... | 50 |
| HCFA or other agency EOC..... | 50 |
| Non-group conversion rates..... | 50 |
| Commercial group rates..... | 50 |
| HCFA or other agency rates | 50 |
| Solicitation..... | 50 |
| HCFA or other agency solicitation | 50 |
| Filing annual statement..... | 25 |
| Annual report..... | 25 |

Filings submitted:

| | |
|---|-------|
| Filing for approval of a plan of reinsurance or plan of assumption reinsurance on policies issued by a domestic insurance company | 1,500 |
| Filing of a plan of conversion of a domestic stock life insurance corporation into a mutual insurance corporation | 2,500 |
| Filing of a plan of conversion of a domestic mutual life insurance company to a stock life insurance company | 2,500 |
| Filing of a plan of conversion of a non-life mutual insurance company to a stock non-life insurance company | 2,500 |
| Filing of a plan to transfer the domicile of an insurance company either to or from the state of Ohio | 2,500 |
| Any filing required to be submitted, per filing..... | 50 |
| Filing of any policy or form for review, per form | 50 |

Surplus lines:

| | |
|---|-------|
| Authority to conduct business as a surplus lines insurer, annual fee..... | 1,000 |
|---|-------|

Insurers' Fees (cont.)

§§ 1751.42; 1751.44; 3905.40; 3921.27; OAC 3901-9-01; 3901-1-57 (cont.)

Miscellaneous services:

| | |
|---|------|
| For issuing certificates of compliance | \$60 |
| For each copy of a paper filed in superintendent's office, per page | 0.20 |
| For issuing certificates of deposits or certified copies for the first certificate or copy | 5 |
| and for each additional certificate or copy | 1 |
| For affixing the seal of office and certifying documents, other than those enumerated herein | 2 |
| Each domestic life insurance company doing business in this state shall pay for annual valuation of its policies, for every \$1,000 of insurance | 0.01 |

Producer Licensing Fees:

§§ 1751.44; 1739.03; 1739.04; 3905.32; 3905.40; 3905.72; 3905.81; 3905.85; 3905.86; 3916.03;
3951.03; 3951.06; 3959.06; 3959.10; OAC 3901-9-01; 3901-9-02; 3901-5-09

Agents:

| | |
|---|----------|
| Application (per LOA)..... | 10 |
| Agent certification | 2 |
| Agent clearance..... | 5 |
| Agent appointment and each annual appointment renewal..... | 15/appt. |
| Biennial license renewal fee for each insurance agent doing business in this state, except agents who have met their continuing education requirements, surety bail bond agents, surplus line brokers, and portable electronics insurance vendors..... | 25 |
| Late renewal..... | 50 |
| Reactivation fee | 50 |
| Reinstatement fee..... | 100 |

Brokers:

| | |
|---|-----|
| Surplus lines broker (initial and renewal)..... | 100 |
|---|-----|

Adjusters:

| | |
|---|-----|
| Public insurance adjuster agent (first certificate of authority)..... | 50 |
| Public insurance adjuster agent (renewal certificate of authority)..... | 50 |
| Public insurance adjuster application (initial)..... | 100 |
| Public insurance adjuster application (renewal) | 50 |

Reinsurance intermediary:

| | |
|--------------------------------------|-----|
| Issuance or renewal of license | 500 |
|--------------------------------------|-----|

Managing general agent:

| | |
|----------------------------|----|
| Application & renewal..... | 20 |
|----------------------------|----|

Multiple employer welfare association:

| | |
|---------------------------|-------|
| Original application..... | 1,000 |
| Renewal..... | 1,000 |

Producer Licensing Fees (cont.)

§§ 1751.44; 1739.03; 1739.04; 3905.32; 3905.40; 3905.72; 3905.81; 3905.85; 3905.86; 3916.03; 3951.03; 3951.06; 3959.06; 3959.10; OAC 3901-9-01; 3901-9-02; 3901-5-09 (cont.)

Portable electronics:

| | |
|---|-------|
| Original application with 10 or fewer locations in Ohio | \$100 |
| Original application with 11 or more locations in Ohio..... | 1,000 |
| Renewal application with 10 or fewer locations in Ohio | 100 |
| Renewal application with 11 or more locations in Ohio | 500 |

Surety bail bond:

| | |
|----------------------------|-----|
| Original application | 150 |
| License renewal | 150 |
| Fee for late renewal..... | 50 |
| Reinstatement fee..... | 100 |

Third party administrators:

| | |
|--|-----|
| Original application | 200 |
| Renewal | 300 |
| Reinstatement—late renewal (per month) | 25 |

Viatical settlement:

| | |
|------------------------------------|-------|
| Broker original application | 200 |
| Broker renewal application..... | 100 |
| Provider original application..... | 1,000 |
| Provider renewal application | 500 |

DEPOSITS

§ 3907.07 Domestic Life Companies

\$100,000 deposit.

§ 3909.03 Foreign Life Companies

\$100,000 deposit with Ohio or home state insurance department.

§§ 3929.01 to 3929.11 Domestic and Foreign P/C Companies with Fidelity and Surety Lines

\$200,000 deposit for Domestic, \$250,000 for Foreign. Foreign companies may instead certify to a like deposit in state of domicile of \$300,000.

§ 3953.06 Title

\$50,000 deposit with Ohio.

Deposits (cont.)

§ 1751.27 Health Insuring Corporations

| | |
|---|-----------|
| Non-provider sponsored organizations COA: | |
| Basic health care services | \$250,000 |
| Supplemental health care services | 150,000 |
| Specialty health care services | 75,000 |
| Basic and supplemental | 400,000 |
| Basic and specialty | 325,000 |
| Provider sponsored organizations COA: | |
| Basic | \$250,000 |
| Basic and supplemental | 400,000 |
| Basic and specialty | 325,000 |

All deposits are held for the protection of all policyholders only. If company's deposit in its home state has language with policyholders and creditors, or any other language, the company will need to make a separate deposit with wording "policyholders" without any other references to other parties in Ohio or in its home state.

→ **CONTACT PERSON**

Tax Questions, Online Filing, Passwords, Amended Returns

Before calling, please e-mail taxes@insurance.ohio.gov

Tax Administrator

Cameron Piatt: (614) 728-1074; cameron.piatt@insurance.ohio.gov

Deposits & Fees—Financial Program Manager & Securities Compliance Officer

Melissa Chuvalas: (614) 752-0720; Melissa.Chuvalas@insurance.ohio.gov

→ Payment Information

(614) 752-8483; tosins@tos.ohio.gov

→ ACH Credit Instructions

eft.tos.ohio.gov

Electronic Funds Transfer—Ohio Treasurer's Office

(877) 338-6446

Agent Licensing

(614) 644-2665

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

OKLAHOMA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Okla. Stat. tit. 36 § 624; Okla. Admin. Code §§ 365:20-3-5; 365:25-3-13

Total direct written premiums, membership, application, policy and registration fees, minus returned premiums, including installment and finance fees. No deduction may be made for dividends paid to policyholders. Considerations for annuities are not included. For title insurers, the tax base is the amount of title insurance premium actually charged. For surplus lines insurance, non-admitted carriers must compute taxes on the total premium due on the policy at the tax rate existing on the date of the policy issuance, except as otherwise provided.

Tax Rate:

tit. 36 § 624

2.25%

tit. 36 § 624

The rate of taxation for all life insurance policies insuring the life of an employee or director for the benefit of the employer or a trust sponsored by the employer, which is purchased by the employer or sponsored by the employer for the benefit of its employees, shall be computed for each policy at the rate of:

1. 2.25% of policy year premium up to \$100,00.00; and
2. 0.001% of policy year premium exceeding 100,000.00.

tit. 36 § 6455

Risk retention group taxed the same as a foreign admitted insurer.

tit. 36 § 1115

6% of the gross premiums on surplus lines

[Note: Please see the Surplus Lines chart for further information.]

Other Taxes and Assessments:

tit. 68 § 50001 Fire Marshal Fund

Fire insurers pay 0.3125% additional tax on premiums.

Other Taxes and Assessments (cont.)

tit. 85A § 122 Workers' Compensation Administration Fund

Pay 1% gross direct premiums for workers' compensation for cost of administration.

tit. 85A § 31 Multiple Injury Trust Fund

Multiple injury fund is created to pay the existing obligations of the fund for the next calendar year and to pay the allocations. The rate shall be equal for all parties required to pay the assessment. Assessment may not exceed 7% of gross direct written premiums.

tit. 40 § 418 Special Occupational Health and Safety Fund

Assessments of sum equal to 0.75% of total workers' compensation losses, excluding medical payments and temporary total disability compensation. Due same day as other payments made for workers' compensation.

tit. 36 §§ 307.5; 362 Insurance Department Antifraud Revolving Fund and Annual Fee

An annual fee of \$750 for this fund, set up to investigate suspected insurance fraud, is charged to life, accident and health insurers, property and casualty insurers, county mutual fire insurers, mutual benefit associations, fraternal benefit associations, reciprocal insurers, title insurers, nonprofit insurers, service warranty associations, motor service clubs, HMOs, MEWAs, surplus lines carriers, trusts which write surety policies, prepaid dental plans and accredited reinsurers. The annual fee shall be made as one payment which shall be due on or before July 1.

tit. 36 § 2007 Property and Casualty Guaranty Association

May assess no more than 2% net direct written premium or 1% surplus as regards policyholders, whichever is less, to cover insolvency.

tit. 36 § 2030 Life and Health Guaranty Association

May assess insurers' administrative costs, the maximum assessment of 2% of average for last three years of net written premium for coverage of the type written for the account with deficiency.

tit. 36 § 624 Preemption

Premium taxes in lieu of all other state taxes and fees except taxes and fees of any subdivision or municipality of the state, and except ad valorem taxes.

Exclusions and Deductions:

tit. 36 § 624 HMO Payments from Secretary of Health and Human Services

Payments received by an HMO from the Secretary of Health and Human Services pursuant to a contract issued under 42 U.S.C. § 1395mm(g) (Medicare) shall not be subject to tax.

Exclusions and Deductions (cont.)

tit. 36 § 624 Public Service Associations

Premiums or fees paid by any county, city, town or school district funds or by their duly constituted authorities performing a public service organized pursuant to tit. 74 §§ 1001 through 1008, or tit. 60 §§ 176 through 180.4 shall not be subject to tax.

tit. 36 § 2724.1 Fraternal

Fraternal are exempt from the payment of premium tax.

Crop Insurance

Premiums on federally reinsured crop insurance will not be taxed.

Credits:

tit. 68 § 2357.11 Coal Production Incentive Credit

Taxpayers may claim a credit against Oklahoma premium and retaliatory tax for every corporation in Oklahoma furnishing water, heat, light or power to the state or its citizens or for burning coal to generate heat, light or power for use in manufacturing operations located in Oklahoma. Beginning Jan. 1, 2018, any credits not used or unable to be used because of the provisions may be carried over until such credits are fully used.

tit. 36 § 625.1 Regional Home Office Credit

A foreign or alien insurer subject to taxation under tit. 36 § 624 is entitled to a tax credit against the tax remaining after other credits are apportioned for continuously maintaining a regional home office during the year for which the tax is being assessed. Percentages are as follows:

| Full-time, year-round Oklahoma employees | Credit |
|---|---------------|
| More than 200 but less than 300 | 15% |
| More than 300 but less than 400 | 25% |
| More than 400 but less than 500 | 35% |
| 500 or more | 50% |

A domestic insurer with 400 or more full-time, year-round Oklahoma employees is entitled to a credit if the insurer maintains a regional home office or establishes a home office before Aug. 1 of the tax year. The credit is derived from the remaining tax due after other credits are apportioned and is equal to 35% if there are more than 400 but less than 500 full-time, year-round Oklahoma employees and equal to 50% if there are 500 or more full-time, year-round Oklahoma employees.

Credits (cont.)

tit. 36 § 624.3

Any taxpayer adversely affected by a requirement of the Oklahoma Insurance Department for deducting home office credits after the deduction of economically targeted credits in computation of the taxpayer's insurance premium tax liabilities for the period Jan. 2003, through Dec. 2006, shall be granted a refund for the difference between the insurance premium tax liability as it would have been computed had the home office credit been deducted prior to economically targeted credits and the insurance premium tax liability as it was actually computed for such periods. No refund shall be paid to a claimant prior to July 1, 2007.

tit. 36 § 625.3 Extension to Relocation of Home Office

An insurance company that has operated a regional home office in Oklahoma, has qualified for the Oklahoma insurance premiums tax credit and that redomiciles and moves its home office to Oklahoma will continue to receive the tax credit under the terms for which the credit was originally allowed.

tit. 36 § 2030 Life and Health Guaranty Association

Assessments may be taken as a credit against the premium tax except for assessment for administrative expenses at a rate of 20% per year for five years beginning the year following the year in which the assessment was paid.

tit. 36 § 625.4 Property and Casualty Guaranty Association

An insurer may take a credit for an assessment paid to the guaranty association at a rate of 10% per year for 10 successive years following the date of assessment.

tit. 68 § 2357.41 Certified Historic Hotel or Newspaper Plant Structure—Qualified Rehabilitation Expenditures

There shall be allowed a credit against that portion of the tax imposed by tit. 36 §§ 624 or 628 that would otherwise have been apportioned to the General Revenue Fund for qualified rehabilitation expenditures incurred in connection with any certified historic structure or for qualified rehabilitation expenditures incurred after Jan. 1, 2006, in connection with any certified historic structure.

tit. 74 § 5085.7 Oklahoma Capital Formation Act Credit

Credit from July 1, 1990, to July 1, 2020. These credits are issued by the Oklahoma Capital Investment Board and a certificate of tax credit issued to the company, the board maintains a copy and the Tax Commission has a copy. The credits may be transferred only by the reissuance of replacement certificates in the transferring companies name by the board.

Credits (cont.)

tit. 68 § 2357.403 Oklahoma Affordable Housing Act

An insurance company claiming a credit against state premium tax or retaliatory tax or any other tax imposed by tit. 36 §§ 624 or 628 shall not be required to pay any additional retaliatory tax under tit. 36 § 628 as a result of claiming the credit. The credit may fully offset any retaliatory tax imposed by tit. 36 § 628. The credit authorized by this section shall not be used to reduce the tax liability of the taxpayer to less than zero. Any credit claimed but not used in a taxable year may be carried forward 2 subsequent taxable years.

Payment Due Dates:

tit. 36 § 624

Return due by Mar. 1.

tit. 36 § 629

Quarterly payments due April 15, June 15, Sept. 15, Dec. 15, each shall be at least 25% prior year's tax liability. Any insurer whose tax was \$1,000 or more last year shall make estimated payments quarterly.

tit. 85A § 122 Workers' Compensation Insurers

Workers' compensation insurers estimate due quarterly.

Penalties:

tit. 36 § 624

For failure to pay promptly and correctly there is a penalty of \$500 or an amount equal to 1% of the unpaid amount, whichever is greater. If 60 days late, barred from transacting insurance until fully paid.

tit. 36 § 630

Failure to make payments in a timely fashion shall subject the insurer to a penalty of 10% of the tax due and the tax and penalty shall be further subject to interest at the rate of 6% per annum, from the date payment should have been paid, until the tax, penalty and interest are paid.

Extensions:

No specific provision for extension.

Retaliatory Law:

tit. 36 § 628

When taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements, etc., which another state would impose on Oklahoma insurers exceed Oklahoma rates, a retaliatory tax will result. Taxes, licenses or fees imposed by any political subdivision of another state shall be deemed imposed by the state. This section shall not apply to ad valorem taxes on real or personal property. Premium tax, guaranty assessment and filing fees aggregated on the tax form. Pending applications for licensing considered on a fee-by-fee basis.

FEES

Insurers' Fees:

tit. 36 §§ 321; 321.1; 348.1; 311.1; 1435.23; 1450

For filing charter documents:

| | |
|---|------|
| Original charter documents, articles of incorporation, bylaws or record of organization of alien or foreign insurers or certified copies..... | \$50 |
| Amended charter documents, articles of incorporation or bylaws of domestic, alien or foreign insurers or health organization or certified copies..... | 50 |

Certificate of authority:

| | |
|--|-----|
| Issuance and renewal for all alien and foreign insurers, fraternal benefit societies and hospital service and medical indemnity corporations | 150 |
|--|-----|

Annual statement:

| | |
|------------------------------|--|
| Annual statement filed | 500 |
| Late filing fee..... | 250 or 100 per day, whichever is greater |

Merger and acquisition forms:

| | |
|-------------|-------|
| Filing..... | 1,000 |
|-------------|-------|

Variable life:

| | |
|-------------------|-----|
| Forms filing..... | 200 |
|-------------------|-----|

Filing of advertising:

| | |
|---|----|
| Filing of advertising or rider to a life, accident and health policy and HMO contract | 25 |
|---|----|

Miscellaneous:

| | |
|-------------------|----|
| Form filing | 25 |
|-------------------|----|

Policy filing:

| | |
|---------------------------------|----|
| Life, accident and health | 50 |
|---------------------------------|----|

Insurers’ Fees (cont.)

tit. 36 §§ 321; 321.1; 348.1; 311.1; 1435.23; 1450 (cont.)

Pending company:

Pending company review..... \$1,000

Viatical Settlement:

Filing a viatical settlement contract or life settlement 50
 Filing an advertisement for viatical settlement or life settlement 25
 Filing an application for viatical settlement or life settlement..... 25

Insurance vending machine:

Biennial..... 100

Third party administrators:

Third party administrators..... 100

Producers’ appointment:

Annual fee..... 30

Rating organizations:

Application fee for issuance of license 200
 License fee 500

Miscellaneous:

Certificate of insurance commissioner, under seal 20
 Upon each transaction of filing of documents required by law and the Service Warranty Act:
 For an individual insurer 50
 For an approved joint underwriting association, rating or advisory organizations:
 Basic fee..... 50
 Additional fee for each member or subscriber insurer..... 10 not to exceed 500
 For each rate, loss cost and rule filing request per the Property and Casualty Competitive
 Loss Cost Rating Act:
 For an individual insurer 100
 For an approved joint underwriting association, rating or advisory organization:
 Basic fee..... 100
 Additional fee for each member or subscriber insurer..... 10 not to exceed 500
 Filing appointment of commissioner as agent for service of process 20
 Copies of records, per page..... 0.40
 Certificate and clearance of commissioner 3

Domestic companies pay only a \$500 renewal and filing fee for licensing and renewal each year and no other fees, unless indicated.

→ Producer Licensing Fees:

→ tit. 36 §§ 1435.23; 3105; 6212; 4055.3
 [Fees in brackets were in effect prior to 11/1/2022.]

License:

| | |
|---|----------------------|
| Resident insurance producer, biennially | \$60 |
| Nonresident insurance producer, biennially..... | 100 |
| Adjuster (one class of business), biennially..... | 30 |
| Adjuster (two or more classes of business), biennially..... | 50 |
| Surplus lines, biennially..... | 100 |
| [Consultant, biennially..... | 100] |
| [Customer service representative, biennially | 40] |
| Temporary license (producers only) | 20 |
| Duplicate license (producers and adjusters)..... | (1/2 of license fee) |
| Limited lines producer, biennially | 40 |
| Nonresident limited lines producer, biennially | 100 |
| Filing organizational documents of an entity applying for license as an insurance producer..... | 20 |
| Managing general agent, biennially | 60 |
| Nonresident managing general agent, biennially | 100 |
| Apprentice adjuster (residents only, not to exceed 6 months and non-renewable)..... | 20 |
| Variable insurance product producer, biennially | 60 |
| Motor service club, annually..... | 40 |
| Emergency adjuster..... | 15 |
| Public adjuster, biennially..... | 30 |
| Car rental limited lines, one or two location, resident or nonresident, biennially | 40 |
| Car rental limited lines, three or more locations, resident or nonresident, biennially | 500 |
| Reinsurance intermediary (broker or manager), biennially | 100 |
| Viatical settlement broker | 500 |

Examination:

| | |
|---|-------------------|
| Laws and one or more line of insurance | not to exceed 100 |
| Adjuster (one class of business)..... | not to exceed 20 |
| Adjuster (two or more classes of business)..... | not to exceed 40 |

Others:

| | |
|--|------------------|
| Life, A&H study manual..... | not to exceed 40 |
| Property/casualty study manuals..... | not to exceed 40 |
| Administrative fee for submission of a change of legal name or address more than 30 days after the change occurred (producers and adjusters)..... | 50 |

DEPOSITS

tit. 36 §§ 613; 6913; OAC 365:25-5-41

A deposit amount not less than \$300,000 invested pursuant to tit. 36 § 1703 is required to be pledged to the Oklahoma Insurance Commissioner for the benefit of all policyholders, to be deposited with the Oklahoma Insurance Commissioner's office. A greater amount may be required if warranted for the protection of the policyholders of the insurer. Foreign and alien insurers may be eligible to comply with this requirement by providing the Oklahoma Insurance Commissioner with an official domicile state certificate of deposits (UCAA Form 7) reflecting an approved investment pursuant to tit. 36 § 1703 with an amount not less than \$300,000 based on the insurer's financial condition, amount and type of business written and losses, held securely in the domicile state and pledged for the benefit of all policyholders without restrictions. HMO deposit of \$500,000 is required to operate in the state. Special deposit of \$300,000 to write surety including bail in state.

CONTACT PERSON

Comptroller Division or Premium Tax Unit
(405) 521-3967 or (405) 522-0473
Producer Licensing Division
(405) 521-3916

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

OREGON

→ **Arrow indicates an update for 2022**

→ **“IREG”, Financial Regulation application, is OREGON’S ONLINE FILING AND PAYMENT COUPON SYSTEM FOR MANY INSURANCE TAXES AND ASSESSMENTS.**

Many, but not all, insurance taxes and assessments must be filed electronically through iReg or a payment coupon must be printed from iReg to mail with check payments. The following are taxes and assessments that are required to be filed in iReg and/or paid with an accompanying payment coupon printed from iReg:

- **Insurance Tax Prepayments**, due 6/15, 9/15, 12/15—Oregon DFR calculates prepayments based on insurers’ prior year’s actual Retaliatory Tax and Fire Marshal Tax. Prepayments due are uploaded to iReg by DCBS. If insurer’s prior year taxes were less than \$400, no prepayments for the current year are due. There is no form to be electronically filed. Payments must be made by check and prepayment coupons must be printed to accompany each check payment.
- **Annual Insurance Tax Return**, due 4/1—calculates retaliatory tax; a return is required for electronic filing and payments must be made by check and prepayment coupons must be printed to accompany each check payment. (Note: Oregon does not charge insurers a “premium tax.”)
- **Annual Certificate of Authority Renewal Fee**, is included in the insurance tax return, due 4/1.
- **Health Premium Assessments**, due quarterly—filings are electronic and payments must be made by check and prepayment coupons must be printed to accompany each check payment.
- **Funding Insurance Operations Assessments**, due 10/31—there is no form to file; assessments are calculated by Oregon DCBS and uploaded to iReg by 10/1. Payments must be made by check and prepayment coupons must be printed to accompany each check payment.
- **Special Oregon Schedule P**, due 3/1 and calculates the required minimum deposit for all insurers authorized to transact workers’ compensation in Oregon.

iReg Important Notes:

- **Maintenance of iReg Users and Contacts is the insurer’s responsibility so that filings and payments are made timely. Not maintaining them, or waiting until the last minute to update them, can result in significant civil penalties, late-payment interest, penalties, and/or revocation of an insurer’s certificate of authority.**
- Electronic payments are not available at this time. All payments due through iReg must be made by check and accompanied with a payment coupon printed from iReg. Payments should be sent to the address on the payment coupon.

PREMIUM TAX

→ **Tax Rate:**

Insurers are not subject to premium tax, but rather pay a corporate excise tax on net income. The corporate excise tax is administered by the Oregon Department of Revenue. Excise tax paid is included in the retaliatory tax calculation on the insurance tax return, which is administered by the Oregon Department of Consumer and Business Services (DCBS), Division of Financial Regulation (DFR), Insurance Licensing and Retaliatory Tax. The insurance tax return is filed electronically through DFR’s online filing system, iReg. The corporate excise tax return is not.

Tax Rate (cont.)

Or. Rev. Stat. §§ 317.061; 317.070; 317.090; 317.267; 317.655; 317.665; 317.710; 317.715

Corporation Excise Tax (administered by the Oregon Dept. of Revenue) Returns are filed with, and payments are made to, The Oregon Department of Revenue (<https://www.oregon.gov/DOR/Pages>). Insurance companies file Oregon excise taxes with OR 20-INS form, except for title insurance companies, which use OR 20 form. Credits for OLHIGA assessments may be used on the excise tax form.

Corporations are taxed at a rate of 6.6% of the first \$1 million of taxable income and 7.6% of any amount in excess of \$1 million. Beginning in the 2009 tax year, there was a minimum tax which began at \$150. Based on sales (premiums), the minimum tax can be as high as \$100,000 (see table below). Taxable income of an insurer doing business in Oregon shall be net income reported on the annual statement plus or minus specified amounts. Domestic and foreign insurers may deduct an amount equal to the aggregate of net losses of prior years when computing Oregon taxable income. Form OR-20-INS return is due April 15 and is filed with and paid to the Oregon Department of Revenue. All insurers, except surplus lines insurance companies, title insurance companies, and fraternal benefit societies, pay this tax using Form OR-20-INS. Title insurers file a Form OR-20. Insurance companies that are authorized in Oregon but have no sales (premiums) do not have to file. Excise tax is included in the retaliatory tax calculation on the insurance tax return filed with the Oregon DCBS, DFR, in iReg. Insurer may enter an estimate in the insurance tax return, Sch G, if unknown by the insurance tax return due date, April 1. Actual excise tax paid will be verified with the Oregon Dept. of Revenue during the audit of the insurance tax return.

| Minimum Tax for sales: | |
|-------------------------------|---------|
| Under \$500,000 | \$150 |
| \$500,000 to \$999,999 | 500 |
| \$1,000,000 to \$1,999,999 | 1,000 |
| \$2,000,000 to \$2,999,999 | 1,500 |
| \$3,000,000 to \$4,999,999 | 2,000 |
| \$5,000,000 to \$6,999,999 | 4,000 |
| \$7,000,000 to \$9,999,999 | 7,500 |
| \$10,000,000 to \$24,999,999 | 15,000 |
| \$25,000,000 to \$49,999,999 | 30,000 |
| \$50,000,000 to \$74,999,999 | 50,000 |
| \$75,000,000 to \$99,999,999 | 75,000 |
| \$100,000,000 and above | 100,000 |

Note: Corporations that are not doing business in Oregon are not subject to the minimum tax. The minimum tax is not apportionable (except in the case of a change of accounting periods), is payable in full for any part of the year during which a corporation is subject to tax, and may not be reduced, paid or otherwise satisfied through the use of any tax credit.

Tax Rate (cont.)

→ ORS 317A.116

The Oregon Corporate Activities Tax (CAT) is a new tax administered by, filed with, and paid to the Oregon Department of Revenue. However, Oregon legislation retroactively determined that all insurers subject to the insurance retaliatory tax administered by The Oregon Dept. Of Consumer and Business Services (DCBS), Division of Financial Regulation (DFR) are no longer also subject to the CAT effective January 1, 2021. This means there is only one tax year, 2020, that insurers are subject to both the CAT and the retaliatory tax. The retaliatory tax is reduced by the amount of CAT paid in 2020. Beginning with tax year 2021, if an insurer has filed their retaliatory tax return and reduced retaliatory tax by CAT paid to the Oregon Dept. of Revenue, the retaliatory tax will be adjusted during audit to eliminate the CAT and insurers are responsible for seeking a CAT refund from the Oregon Dept. of Revenue for 2021 and possibly 2022 if paid. The Insurance Tax Return administered by DFR, Sch G, line item "14a" in iReg has been deleted beginning with the 2022 tax year due 4/1/23. No refunds will be issued without first verifying actual Oregon excise tax paid with the Oregon Dept. of Revenue. It will be necessary for insurers to provide a cancelled check copy showing payment of the Corporate Activities Tax paid for the tax year 2020.

On May 16, 2019, Governor Kate Brown signed House Bill 3427 into law. The legislation accomplishes the following:

Establishes a "Fund for Student Success" that is separate and distinct from the state's general fund. Adopts a new Corporate Activity Tax (CAT) imposed on all types of business entities. The CAT is in addition to the state's current corporate income tax. Revenue from the CAT will be transferred to the Fund for Student Success and will be used for education spending.

The CAT is imposed on businesses for the privilege of doing business in this state. It is measured on a business's commercial activity, which is the total amount a business realizes from transactions and activity in Oregon. Certain items are excluded from the definition of commercial activity and, therefore, will not be subject to the CAT. In addition, Oregon's CAT allows a 35 percent subtraction for certain business expenses.

The CAT is applied to taxable Oregon commercial activity in excess of \$1 million. The tax is computed as \$250 plus 0.57 percent of taxable Oregon commercial activity of more than \$1 million. Only taxpayers with more than \$1 million of taxable Oregon commercial activity will have a payment obligation.

Taxpayers with general questions about the CAT can email cat.help.dor@oregon.gov or call 503-945-8005.

§ 735.315 Risk Retention Groups

Risk retention groups taxed at same rate as foreign admitted insurers.

§ 750.329

Multiple employee welfare arrangement taxed same as an insurer.

Other Taxes and Assessments:

H.B. 2391 (2017) Health Benefit Plan Assessment

Establishes a 1.5% assessment on the gross amount of premiums derived from Health Benefit Plans issued or renewed in 2019, as defined under § 743B.005(16). Revenue generated by this assessment will be used to help stabilize rates and premiums for individual health benefit plans and provide greater financial certainty to consumers. The assessment is to be paid 45 days after the end of each calendar quarter. Insurers will file these returns using the iReg reporting system. There are some exclusions to health premiums assessed by this new law. The following premiums will be excluded:

Coverage for accident only, specific disease or condition only, credit or disability income; Coverage of Medicare services pursuant to contracts with the federal government; Medicare supplement insurance policies; Coverage of TRICARE services pursuant to contracts with the federal government; Benefits delivered through a flexible spending arrangement established pursuant to I.R.C. § 125 when the benefits are provided in addition to a group health benefit plan; Separately offered long term care insurance, including, but not limited to, coverage of nursing home care, home health care and community-based care; Independent, non-coordinated, hospital-only indemnity insurance or other fixed indemnity insurance; Short term health insurance policies that are in effect for periods of three months or less, including the term of a renewal of the policy; Dental only coverage; Vision only coverage; Stop-loss coverage that meets the requirements of § 742.065; Coverage issued as a supplement to liability insurance; Insurance arising out of a workers' compensation or similar law; Automobile medical payment insurance or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance; or any employee welfare benefit plan that is exempt from state regulation because of ERISA.

H.B. 2010 (2020) Health Benefit Plan Assessment

During the 2019 legislative session, the Oregon Legislature enacted House Bill 2010 (HB 2010). HB 2010 makes two key changes to the assessments established under HB 2391. First, HB 2010 increases the assessment on premiums derived from health benefit plans from 1.5 percent to 2 percent. Second, HB 2010 expands the assessment to apply to premiums derived from insurance described in ORS 742.065 (stop loss insurance). Both of these changes are effective for "the period beginning on January 1, 2020.

In the case of premiums derived from health benefit plans, the Division of Financial Regulation (division) interprets the 2 percent assessment under HB 2010 as replacing the 1.5 percent assessment established under HB 2391. As a result, no health benefit plan policy should be subject to both assessments at the same time.

§§ 731.824; 731.828 Wet Marine and Transportation Tax

Wet marine and transportation insurers pay 5% tax on average underwriting profit of last three years. Due June 15.

Other Taxes and Assessments (cont.)

§ 731.820 Fire Marshal Tax

Pay 1.15% additional tax on fire insurance premiums to pay expenses of fire marshal's office. Due April 1, subject to prepayment provisions, and included in the retaliatory tax calculation on Schedule G of the insurance tax return.

§ 731.804; Or. Admin. R. 836-009-0011 Assessment to Fund Operations of the Oregon Insurance Division

Assesses insurers to support the budget of Oregon's insurance department, not to exceed 0.09% gross premiums after deducting returned premiums and dividends. Does not assess fraternal, educational institutions, nonprofit corporations issuing motor service club, premiums on workers' compensation insurance, or wet marine and transportation insurance. The assessment rates for 2021 included in the retaliatory tax computation is: property and casualty 0.0539%; life and annuities 0.0418%; health 0.0563%; finance charge 0.0418% multiplied by the 2020 direct written premium. Assessments are not billed if they are \$25 or less. Assessments are uploaded to iReg by Oct. 1 each year and payments are due Oct. 31 of each year. Interest at 9% per annum is charged for any late payments. Late payments, including interest, may be referred to DFR's Enforcement Section for assessment of civil penalties of \$500 per day for each day late in addition to the late payment interest charged. A payment coupon can be printed from the iReg system and mailed with a check to the address on the payment coupon. We are unable to process electronic payments.

§ 656.612 Workers' Compensation Assessment

Assessment of all workers' compensation insurers for expenses of workers' compensation division, based on direct earned premium. Included in retaliatory tax calculation on the insurance tax return.

→ § 734.570 Property and Casualty Guaranty Association

The Oregon Insurance Guaranty Association (OIGA) may assess member insurers no more than 2% of net direct written premiums in event of deficiency. Companies may surcharge their policyholders the following year. All members of OIGA must report the amount of surcharges. Report due June 1 to Oregon DCBS, DFR, Insurance Licensing and Retaliatory Tax. There were no assessments in 2022.

Other Taxes and Assessments (cont.)

→ §§ 734.815; 734.835 Life and Health Guaranty Association

The Oregon Life and Health Guaranty Association (OLHIGA), may assess member insurers no more than \$300 per year for administrative expenses (Class A assessment) and no more than 2% of insurers premiums on types of insurance covered by account with deficiency (Class B assessment). *See Credits section.* A Class B assessment for which companies are able to use 20% as a credit against their Oregon corporate excise tax for five years are as follows: 2017 assessment – credit may be used 2018-2023; 2018 assessment – credit may be used 2019-2024; 2019 assessment – credit may be used 2020-2025. There was also a Class A assessment issued in 2017 for which no credits may be taken. No assessments were issued in 2022. A schedule is available in the iReg system showing credit amounts allowed each year, by company, to be taken on the Oregon Corporate Excise Tax return, **not** the insurance tax return filed in iReg.

Note: Class B assessment credits are reported on Form OR-20-INS (Oregon Excise Tax Return), which is filed with the Oregon Department of Revenue, and not on the Insurance Tax Return that retaliatory tax is calculated on and reported through iReg. However, the excise tax, after credits, is included in the retaliatory calculation on the Insurance Tax Return.

Exclusions and Deductions:

§ 748.414 Fraternal

Fraternal benefit societies are exempt from all taxes imposed by the state except for property tax.

Crop Insurance:

Consideration will be given to exempting crop insurance written for a federal program if an exemption is requested.

Credits:

§ 317.122 Corporation Excise Tax; Credits; Insurers

A credit is allowed to be taken on the Oregon Corporate Excise Tax Return for the fire marshal tax. Another credit is allowed in an amount the lesser of: (a) the assessments paid to the Oregon DCBS; or (b) the total profit attributable to the workers' compensation line of business (net of reinsurance and including all investment gain), apportioned and multiplied by the applicable corporate tax rate.

→ § 734.835 Life and Health Guaranty Association (<https://dfr.oregon.gov/business/reg/insurer/Pages/life-health-guaranty-association.aspx>)

OLHIGA members' Class B assessments may be offset at a rate of 20% per year for five years beginning the year after the assessment is paid and taken as a credit on the Oregon Corporate Excise Tax Return. Class A assessments cannot be used as a credit.

→ Filing and Payment Due Dates:

→ § 731.859

Filings and payment due dates, administered by the Oregon DCBS, DFR, Insurance Licensing and Retaliatory Tax, are made via access to their online filing system, iReg (<https://www4.cbs.state.or.us/exs/ins/ireg/>), (<https://dfr.oregon.gov/ireg/Pages/portal.aspx>). Payments must be made with a check and accompanied by a payment coupon printed from iReg and mailed to the address on the payment coupon. We are unable to process electronic or credit card payments:

- The Oregon Insurance Tax Return is due April 1, with additional tax liability due and the upcoming year's certificate of renewal fee also being due April 1.
- Annual Certificate of Authority Renewal Fee is due 4/1 and is included in the insurance tax return filed in iReg (directly above).
- Prepayments for Fire Marshal and Retaliatory Tax are due 6/15, 9/15 and 12/15 and are calculated by, and uploaded to, iReg by DCBS. If no prepayments are showing prior to their due dates, then no prepayments are due. Payment coupons must be mailed in with a check. See further explanation below.
- The Assessment to Fund Insurance Operations payment is due Oct. 31. A payment coupon must be obtained through iReg to mail in with check. There is no filing due with this payment and assessments are calculated by DCBS and uploaded to iReg, by company, by 10/1. If there is no assessment showing for a company after 10/1, then no assessment is due.
- The Health Benefit Plan Assessment is due quarterly. Please see detailed explanation above.
- The Special Oregon Schedule P is due 3/1 and is a required filing in iReg for all insurers authorized to transact workers' compensation insurance whether or not any was sold. If this filing shows insurer is out of compliance with the calculated minimum required deposit for workers' compensation, additional securities must be deposited with DFR by working with DFR, Insurance Institutions, Security Deposit Analyst.(503) 947-7259.

Filings and payment due dates not made through iReg:

- The Ocean Marine Tax Return is due June 15 and is filed with a paper return which can be found in the below link on the DFR website for this filing. A check must be used for payment.
(<https://dfr.oregon.gov/business/licensing/insurance/institutions/Pages/index.aspx>)
- The Surplus Lines Tax paid by surplus lines agents is due 45 days after the end of each calendar quarter and is filed with, and administered by, the Oregon Surplus Lines Association (<https://dfr.oregon.gov/business/licensing/insurance/Pages/surplus-lines-licensing.aspx>).

Filing and Payment Due Dates (cont.)

§ 731.859 (cont.)

§ 731.822 Required Prepayment of Tax

If prior year's combined fire marshal and retaliatory tax was \$400 or more as filed on the Insurance Tax Return in iReg, prepayments for the following tax year are required to be paid on the following dates (percentages are based on prior year's tax): June 15, 45%; Sept. 15, 25%; Dec. 15, 25%. Oregon's DFR makes the calculations and provides a schedule of prepayments due in iReg. Payment coupons must be printed from the iReg system and mailed in with a check. We are unable to process electronic payments. Prepayments are not changed by later audit results.

Late payments are subject to 10% penalty and 8% per annum interest charges calculated and shown in iReg in Fiscal Details. Late payments, including penalties and interest, may be referred to DFR's Enforcement Section for assessment of civil penalties of \$500 per day for each day late. Civil penalties are separate and in addition to penalties and interest already charged.

Extension of time to pay tax prepayments may be granted if requested prior to due date, is approved by DFR, is for extenuating circumstances (natural disasters, etc.), and may not exceed ten days.

Penalties and Interest:

§ 731.842 Late Payment Penalty

For late payments of taxes, interest shall accrue at rate of 8% per annum, 0.667% per month or fraction of a month, on payments not made by the due date, without regard to extensions insurer has with other filings. A penalty of 10% of tax due shall be imposed on any late payment, unless paid within an extension period granted by DFR prior to the due date and is due to extenuating circumstances (natural disasters, etc.).

For late payments of assessments to fund insurance operations authorized under § 731.804 interest shall accrue at rate of 9% per annum, 0.75% per month. *See* Or. Admin. R. 836-009-0011. No penalties will be charged for assessment.

Civil penalties: late payments, including unpaid penalties and interest, may be referred to DFR's Enforcement Section for further assessment of civil penalties of \$500 per day for each day late. Civil penalties are in addition to late payment penalties and interest already charged.

Extensions:

§ 731.842 Time Extension

The Director of DCBS may grant, for good cause shown, a request for an adjustment of the amount of the prepayment due under § 731.822 (prepayment of tax due) or an extension of time for payment of taxes under §§ 731.808 (“gross amount of premiums” defined) to 731.828 (computation of wet marine and transportation insurance tax) and 731.859 (applicability of retaliatory provisions). The extension shall be requested no later than the due date and may not exceed 30 days or one month, whichever is longer, except that an extension of time for payments under § 731.822 (prepayment of tax due) may not exceed 10 days.

Retaliatory Law:

§ 731.854

When taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements or other obligations, imposed on Oregon insurers by other states exceed those Oregon would impose on similar insurers, retaliation will result. Obligations imposed by political subdivisions or agencies will be considered imposed by the state. This does not apply to personal income taxes, ad valorem taxes on real or personal property or to special purpose assessments in connection with particular classes of insurance, except property insurance.

FEES

All fees are aggregated with taxes for purposes of retaliation. No fees are subject to retaliation on a fee-by-fee basis except for the application fee.

Insurers’ Fees:

Or. Admin. R. 836-009-0007

Certificate of authority:

| | |
|---|---------|
| Application..... | \$2,500 |
| Annual continuation of a certificate of authority | 1,500 |
| Reinstatement of a certificate of authority | 100 |

Legal expense organization:

| | |
|--|-----|
| Certificate of registration or annual renewal..... | 350 |
|--|-----|

Risk retention group:

| | |
|--------------------------|-----|
| Annual registration..... | 350 |
|--------------------------|-----|

Purchasing group:

| | |
|--------------------------|-----|
| Annual registration..... | 100 |
|--------------------------|-----|

Rating organization:

| | |
|-------------------------------------|-----|
| License and triennial renewal | 180 |
|-------------------------------------|-----|

Insurers' Fees (cont.)

Or. Admin. R. 836-009-0007 (cont.)

Form A:

| | |
|--|-------------|
| Filing review (up to 100 hours of review time) | \$5,000 |
| Additional review time (in excess of 100 hours)..... | 50 per hour |

Producer Licensing Fees:

Or. Admin. R. 836-009-0007; 836-071-0560; 836-071-0355; 836-075-0030; 836-071-0425

Application for license:

| | |
|---------------------------|----|
| Resident agent..... | 30 |
| Nonresident agent | 30 |
| Adjuster..... | 30 |
| Insurance consultant..... | 30 |

Issuance of licenses or renewal:

| | |
|---------------------------------|-----|
| Resident agent..... | 45 |
| Nonresident agent | 45 |
| Adjuster..... | 45 |
| Insurance consultant..... | 45 |
| Self-service storage..... | 200 |
| Portable electronics..... | 200 |
| Vehicle rental..... | 200 |
| Third party administrators..... | 45 |

Examination fees:

| | |
|--|---------------|
| Property and casualty agent | 55 |
| Property insurance only agent..... | 45 |
| Casualty insurance only agent | 45 |
| Personal lines insurance agent | 45 |
| Life and health insurance agent | 55 |
| Life insurance only agent..... | 45 |
| Health insurance only agent..... | 45 |
| General lines adjuster..... | 45 |
| Health insurance adjuster | 45 |
| Adjuster for any other line designated by rule..... | 45 |
| General lines consultant..... | 45 |
| Life insurance only consultant | 45 |
| Health insurance only consultant | 45 |
| Consultant for any other line designated by rule | 45 |
| Surplus lines agent..... | 45 |
| Reexamination | same as above |

Agents' fees may be paid by the agent or the company. Electronic fingerprints are required from each new resident applicant for an Oregon resident license. Fingerprinting must be done by PSI. An additional fee of \$56.25 is paid to PSI—\$15 for fingerprinting and \$41.25 for the Oregon State Police and the Federal Bureau of Investigation to complete the required background check.

DEPOSITS

§§ 731.624 and 731.616(2)

Foreign insurers:

| | |
|----------------------------------|-----------|
| Surety insurers | \$260,000 |
| Title insurers | 110,000 |
| Home protection insurers..... | 110,000 |
| Mortgage guaranty insurers | 510,000 |

§§ 731.628 and 731.616(2)

| | |
|-------------------------------------|---|
| Workers’ compensation insurers..... | 110,000 minimum (Determined by formula found in statute) |
|-------------------------------------|---|

§ 731.616(2)

Allows for an additional deposit as a “working margin” so each of the above is required to deposit an additional \$10,000.

→ **CONTACTS**

- Division of Financial Regulation, Insurance Licensing and Retaliatory Tax
orinstax.ins@oregon.gov (for all taxes and assessments questions)
Shannon O’Shea, Tax Analyst: (503) 947-7046; shannon.oshea@dcbs.oregon.gov
Gail McFarlin, Tax Analyst: gail.l.mcfarlin@dcbs.oregon.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

PENNSYLVANIA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

72 Pa. Stat. (P.S.) § 7901

Gross premiums, including premium deposits or assessments, minus returned premiums, premiums received for reinsurance, and dividends paid. Annuities are not taxed. (Administered by Department of Revenue.)

72 P.S. § 2284 Marine Insurers

Marine insurers subject to tax on underwriting profits in lieu of premium tax.

Tax Rate:

72 P.S. § 7902

2%

40 P.S. § 991.1504

Foreign risk retention group taxed same as a foreign admitted insurer.

Other Taxes and Assessments:

72 P.S. §§ 2282 to 2283 Marine Insurance

Underwriting profit shall be taxed at the rate of 5% of net average underwriting profit for last three years.

75 Pa. Cons. Stat. Ann. (CSA) § 1797 Pennsylvania Financial Responsibility Assigned Claims Plan

Provides the customary charges for treatment that is covered by liability or uninsured and underinsured benefits resulting from motor vehicle accidents. Considered in Pennsylvania retaliatory tax computation.

Phila. Code Ch. 19-2600 City of Philadelphia Business Income and Receipts Tax

General business tax of 1.415 mills per dollar of annual receipts but not more than 6.20% of net income. Foreign insurers incorporated in states whose premium taxes are equal to or lower than the tax imposed on out-of-state insurers by Pennsylvania are exempt from the Philadelphia tax. Included in retaliatory tax computation.

Other Taxes and Assessments (cont.)

§ 40-1-212; 40 P.S. § 49.1 NAIC Valuation of Securities Expense

Domestic life insurers shall be assessed an amount to defray the expenses of the NAIC Committee on the Valuation of Securities. Paid to insurance department. The total assessment is not to exceed \$250,000 per year.

72 P.S. § 7801 Domestic Title Insurers

A domestic title insurer shall pay tax due on the actual value of its capital stock. Pay at the rate of 1.25% of taxable amount instead of premium tax. Foreign title insurers pay the regular 2% premium tax. According to the department of revenue, foreign title insurers may report taxable premiums on the approved attorney rate.

§ 77-1-443; 77 P.S. § 999; 71 P.S. § 578 Workers' Compensation Supersedeas Fund

Assess insurers to maintain the special fund. The purpose of the fund is to reimburse insurers for wrongful workers' compensation benefits paid. Not included in retaliatory tax computations. Assessments are not imposed on insurers but collected by insurers and remitted.

§ 77-1-446; 77 P.S. § 1000.2; 71 P.S. § 578 Workers' Compensation Administration Fund

Assess insurers writing compensation insurance based on total compensation paid for workers' compensation to fund administrative expenses. Not included in retaliatory tax computations. Assessments are not imposed on insurers but collected by insurers and remitted.

§ 77-5-103; 77 P.S. §§ 1051 to 1066 Workers' Compensation Security Fund

The Fund provides claim payments to individuals entitled to benefits when the insurance company that was originally providing benefits is insolvent and in liquidation. The Fund is maintained by the contributions of insurers as actuarial determined and required to be paid to the Fund by the Insurance Department.

31 Pa. Code §§ 165.1 to 165.8 Workers' Compensation Security Fund

If an assessment is required, every carrier doing the business of workers' compensation insurance in this Commonwealth will be assessed their portion of the contribution to the Fund, based on a pro rata share of the total amount of net written premiums of workers' compensation insurance reported as written in the previous calendar year's annual statement.

77 P.S. §§ 2701 to 2708 Uninsured Employers Guaranty Fund

The Fund provides payments to claimants and dependents where the employer failed to insure or underinsured. The Fund is maintained by assessments of insurers and self-insured employers.

77 P.S. §§ 1035.1 to 1035.22 Pennsylvania Compensation Rating Bureau

Every workers' compensation insurer is required to be a member of a rating organization.

Other Taxes and Assessments (cont.)

§ 40-73-426; 40 P.S. § 326.6 Automobile Theft Prevention Trust Fund

Assess insurers writing automobile coverage for the fund to prevent, combat and reduce automobile theft.

§ 40-3-1123; 40 P.S. § 325.23 Insurance Fraud Prevention Trust Fund

Assess insurers for fund to prevent, combat and reduce insurance fraud. Not included in retaliatory tax computations.

§ 40-41-208; 40 P.S. § 991.1808 Property and Casualty Guaranty Association

No member insurer may be assessed in any year on an account an amount greater than 2% of that member insurer's net direct written premiums for the preceding calendar year on the kinds of insurance in the account. There are two accounts, one for auto and one for all other insurance.

§ 40-41-107; 40 P.S. § 991.1707 Life and Health Guaranty Association

Assessment shall be determined by the board for administrative costs and no more than 2% of premium on policies covered by account with deficiency.

Exclusions and Deductions:

72 P.S. § 7901 Nonprofit Service Plan

Nonprofit hospital plans and medical service plans not taxed.

§ 40-80-612; 40 P.S. § 991.2462 Fraternal Benefit Societies

Fraternals are not subject to premium tax.

→ Credits:

§ 40-41-111; 40 P.S. § 991.1711; Life and Health Guaranty Association

Assessments may be offset at a rate of 20% per year for five years beginning the year after the assessment paid. Credits are allowed only for those policies in which the rate is guaranteed during the continuance of the policy or contract. Administrative assessments are also allowable credits.

72 P.S. § 7902.1 Pennsylvania Property and Casualty Insurance Guaranty Association

Assessments, so far as they exceed 1% of the "assessment base" (defined as the amount of the net direct written premiums used by the guaranty association to calculate a member insurer's assessment) as calculated for the preceding calendar year, may be offset at a rate of 20% per year for 5 years beginning the year after the assessment is paid.

→ Restricted Tax Credits:

Insurers may be able to participate and/or purchase restricted tax credits listed in the chart below. Please visit the administrator webpages for eligibility criteria within each program.

| Tax Credit Program Name | Credit can offset Insurance Premiums Tax | Program Administrator |
|--|---|------------------------------|
| Pa Housing Tax Credit | Yes | PHFA |
| Film Production Tax Credit | Yes | DCED |
| Entertainment Economic Enhancement Program | Yes | DCED |
| Video Game Production Tax Credit | Yes | DCED |
| Coal Refuse Energy and Reclamation Tax Credit | Yes | DCED |
| Mixed Use Development Tax Credit | Yes | PHFA |
| Waterfront Development Tax Credit | Yes | DCED |
| Manufacturing and Investment Tax Credit | Yes | DCED |
| Educational Tax Credit Program | Yes | DCED |
| Historic Preservation Tax Credit | Yes | DCED |
| Keystone Innovation Zone | Yes | DCED |
| Neighborhood Assistance Program | Yes | DCED |
| Pennsylvania Resource Manufacturing Tax Credit | Yes | DOR |
| Local Resource Manufacturing Tax Credit | Yes | DOR |
| Resource Enhancement and Protection Program | Yes | SCC |
| Innovate in PA | Yes | DCED |
| Organ and Bone Marrow Donation Credit | Yes | DOR |
| Rural Jobs and Investment Tax Credit | Yes | DCED |

Administering Agencies and Webpages

“PHFA” – Pennsylvania Housing Finance Agency - <https://www.phfa.org/>

“DCED” – Department of Community and Economic Development - <https://dced.pa.gov/>

“SCC” – State Conservation Commission - <https://www.agriculture.pa.gov/>

“DOR” – Department of Revenue - <https://www.revenue.pa.gov/>

Pa Housing Tax Credit Program

This program is designed to encourage the development of low-income housing projects, that qualify under section 42(g)(1) of the Internal Revenue Code of 1986.

Film Production Tax Credit Program

This program is designed to create a film industry within the Commonwealth to attract the production of films, television commercials or television shows.

Entertainment Economic Enhancement Program

This program is designed to attract investment by awarding tax credits to tour operators representing musicians for rehearsals and live musical performances within the state.

Video Game Production Tax Credit Program

This program is designed to attract investment by awarding tax credits for production expenses incurred by video game production companies.

Restricted Tax Credits (cont.)

Coal Refuse Energy and Reclamation Tax Credit Program

This program is designed to incentivize eligible facilities that generate electricity in the Commonwealth to use coal refuse for power generation, controls acid gasses for emission control and uses ash produced by the facility to reclaim mining-affected sites.

Mixed Use Development Tax Credit Program

This program authorizes the state to sell \$4.5 million of state tax credits to taxpayers for the purpose of establishing the Mixed-Use Development Fund. Proceeds from the fund are dedicated to construction or rehabilitation projects, which enable affordable housing and business establishments, in the same structure.

Waterfront Development Tax Credit Program

Contribution based program designed to generate funding for waterfront development projects that provide or improve public access to waterfront sites within the commonwealth.

Manufacturing and Investment Tax Credit Program

This program is designed to stimulate job creation for taxpayers capable of increasing annual taxable payroll by a minimum of \$1,000,000 in the manufacturing sector through the creation of new full time jobs.

Educational Tax Credit Program

Contribution based program designed to provide scholarships to help families pay private or charter school tuition.

Historic Preservation Tax Credit Program

This program is designed to encourage private investment in rehabilitating income producing, historic properties.

Keystone Innovation Zone Program

This program is designed to foster entrepreneurship in targeted life science and technology sectors of PA.

Neighborhood Assistance Program

Contribution based program designed to enhance community development for neighborhood programs.

Pennsylvania Resource Manufacturing Tax Credit Program

This program is designed to establish a robust petrochemical industry cluster in Pennsylvania by offering a tax incentive to qualifying businesses which convert natural gas, to ethylene for use as a petrochemical feedstock.

Local Resource Manufacturing Tax Credit Program

This program is designed to establish a robust petrochemical industry cluster in Pennsylvania by offering a tax incentive to qualifying businesses which convert dry natural gas, to petrochemicals or fertilizer.

Resource Enhancement and Protection Program

This program is designed to allow farmers and businesses to earn tax credits in exchange for "Best Management Practices" (BMPs) on agricultural operations to enhance farm production and protect natural resources.

Restricted Tax Credits (cont.)

Innovate in PA Program

This program was designed to establish the Innovate in PA Fund used to distribute proceeds to innovation and economic growth technology-based projects.

Organ and Bone Marrow Donation Tax Credit Program

This program is designed to encourage PA employers to provide paid leave to employees that donate organ and bone marrow. Employers receive a credit equal to the amount of employee compensation paid during the leave of absence period.

Rural Jobs and Investment Tax Credit Program

This program is designed to stimulate growth and job creation in rural areas by providing access to capital to rural businesses, from businesses supporting rural growth funds.

Payment Due Dates:

72 P.S. § 7904; 72 P.S. § 10003.2

Payment of tentative tax must be made by Mar. 15.

Return Due Dates:

72 P.S. § 7903

Gross premiums return due April 15.

72 P.S. § 715

Marine insurers return due June 1.

Penalties:

72 P.S. §§ 1702 to 1703; 7904; 7405

For late payment add 10% of first \$1,000 due, 5% of next \$4,000 and 1% of amount beyond \$5,000. (This pertains to RCT-121 filed with the Department of Revenue). Applicable tax reports are listed in statute.

For failure to file return, pay penalty of \$500. (This is charged by the Insurance Department.)

Extensions:

72 P.S. § 704

Department of Revenue may grant extension of no more than 60 days.

Retaliatory Law:

§ 40-1-213; 40 P.S. § 50

If any other states impose taxes, fines, penalties, licenses, fees, etc., on Pennsylvania insurers and agents that are higher in the aggregate than Pennsylvania would impose on similar insurers, retaliation will occur.

FEES

Retaliation on licenses and fees is included in the premium tax return on an aggregate basis and is administered by the department of revenue.

Insurers' Fees:

§§ 40-1-210; 71-1-103; 40 P.S. § 49; 71 P.S. § 240.12A; 40 P.S. § 991.1501 et seq.

Insurance companies, associations or exchanges:

| | |
|---|-------|
| Filing copy of charter or amendment of a domestic, foreign or alien company, association or exchange | \$300 |
| License fee for a domestic, foreign or alien company, association or exchange or any duplicate license..... | 100 |
| Filing and review of qualifications of an insurer to issue variable annuities..... | 400 |
| Qualification of insurer to issue variable life contracts | 400 |
| Domestic company license application..... | 2,500 |
| Foreign/alien license application | 2,500 |

Annual statements:

| | |
|--|-----|
| Filing annual statement or other statement of a domestic, foreign or alien company, association, exchange or fraternal benefit society | 750 |
|--|-----|

Rating organization:

| | |
|-------------------------------------|----|
| License due every three years | 50 |
|-------------------------------------|----|

Conversions:

| | |
|---|-------|
| Filing and review of conversion plan from mutual company to stock company | 2,500 |
| Filing and review of conversion plan from stock company to mutual company | 2,500 |

Mergers, consolidations, holding companies, etc.:

| | |
|--|-------|
| Filing and review of proposed exchange of shares of stock | 600 |
| Filing and review of merger agreements of foreign and alien companies | 400 |
| Filing and review of material in connection with a proposed acquisition, merger or offer to acquire capital stock of a domestic insurance company or insurance holding company | 2,500 |
| Filing and review of registration statement by an insurance member of an insurance holding company..... | 400 |
| For each amendment to such registration statement | 200 |
| Request to pay extraordinary dividends..... | 200 |

Insurers' Fees (cont.)

§§ 40-1-210; 71-1-103; 40 P.S. § 49; 71 P.S. § 240.12A; 40 P.S. § 991.1501 et seq. (cont.)

Valuation of life policies:

Valuation of life insurance policies (for each thousand dollars valued)..... \$0.01
with a minimum fee of 15

Risk retention group:

Registration fee (one-time fee) 300

Purchasing groups:

Registration fee (one-time fee) 100

Service of process:

Risk retention and purchasing groups..... 25

Reinsurance:

And assumption agreement..... 300

Fraternal benefit societies:

Filing a copy of charter of a domestic, foreign or alien society, in addition to any fee
for filing such charter with the department of state 70

License to society or certified copy or duplicate thereof..... 80

Filing and reviewing agreements of merger of domestic, foreign and
alien societies 400

Filing and review of a plan of conversion from a fraternal benefit society to a
mutual company and for filing each amendment to registration statement 400

Filing and review of qualification of a society to issue variable annuities 400

Appointment fees:

Annually for each active producer appointment..... 15

Miscellaneous services:

Issuance of a certificate of compliance, deposit or surety 20

Any other certificate issued by the department..... 20

Certification of each copy of any paper filed with department..... 20 plus 0.20 per page

Copy of any paper filed with department on a per page basis 0.25

Copy of annual statement pages 2

Return of increase or decrease in stated capital 200

Duplicate of agency or producer record..... 20

Producer Licensing Fees:

§ 71-1-103; 40 P.S. §§ 310.5; 310.8; 991.1615; 63 P.S. §§ 853; 1602.1(c); 1602.4; Act 47 of 2003

Insurance producers:

| | |
|--|------|
| Resident application and biennial renewal..... | \$55 |
| Nonresident application and biennial renewal..... | 110 |
| Certification, clearance, history, amended or duplicate license..... | 25 |
| Lapsed license renewal fee | 165 |

Surplus line agent:

| | |
|----------------------------------|-----|
| Initial license..... | 200 |
| Biennial renewal | 200 |
| Lapsed license renewal fee | 400 |

Manager or exclusive general agents:

| | |
|---|-----|
| License and annual renewal for manager or exclusive general agent for domestic insurance company..... | 400 |
|---|-----|

Motor vehicle physical damage appraiser:

| | |
|----------------------|----|
| Initial license..... | 55 |
| Annual renewal..... | 55 |

Public adjusters:

| | |
|----------------------------------|-----|
| Initial license..... | 200 |
| Bi-Annual renewal..... | 200 |
| Lapsed license renewal fee | 400 |

DEPOSITS

31 Pa. Code § 301.121 HMOs

\$100,000 deposit for HMOs or certificate that have made a deposit in state of domicile.

§ 40-59-102; 40 P.S. § 832

\$100,000 deposit for insurers with the authority to issue security bonds.

No deposit required for other insurers.

CONTACT PERSON

Department of Revenue

Lisa Lafferty: (717) 705-6098; lilafferty@pa.gov

Frank Tobias: (717) 783-6034; ftobias@pa.gov

Insurance Department

Joseph Korman: (717) 787-4429; jkorman@pa.gov

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COMMONWEALTH OF PUERTO RICO

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

P.R. Laws Ann. tit. 26 § 702

Direct premiums minus dividends and returned premiums. Annuity considerations are taxed when collected by the insurer.

Tax Rate:

[Note: Please confirm rates with the department, as they are subject to change]

4% all insurance except annuities

1% annuity considerations

3% fire and allied lines

Act Nos. 2013-40, 2013-117; 2013-163; tit. 26 § 702c

Impose a special contribution of 1% of earned premium net of reinsurance.

Act Num. 181-2019, tit. 26 § 702

Impose a special contribution tax of 3% of premiums written in Fire and Allied Lines.

Other Taxes and Assessments:

tit. 13 §§ 8591 to 8622 Income Tax

Insurers are taxed at rate of 20% or 22% of net taxable income as defined by statute, plus a surtax of varying levels. Paid to Puerto Rico Department of Revenue.

tit. 26 § 3808 Property and Casualty Guaranty Association

May assess member insurers no more than 2% net direct premiums for kinds of insurance in account with deficiency.

tit. 26 § 3909 Life and Health Guaranty Association

Assess member insurers for administrative expenses and no more than 2% of premiums for account with deficiency.

tit. 26 § 706 Preemption

The Commonwealth preempts the field of taxation; no political subdivision may levy any additional tax on insurers or their agents.

Exclusions and Deductions:

tit. 26 § 702a Home Office Exemption

Domestic insurers maintaining a home office in Puerto Rico are exempt from taxation on premiums and annuity considerations.

tit. 26 § 3639 Fraternal Benefit Societies

Fraternal are exempt from premium taxes.

Credits:

tit. 26 § 256(3)

Foreign insurers may deduct from the premium tax payable the amount of the single annual fee paid for the renewal of their certificate of authority.

Credits and other exemptions and benefits:

tit. 26 § 256(2)

The persons or entities who pay the following annual fee shall not be bound to pay any of the examination fees or expenses established in the code. The scope of the above exemption does not include the payment of premium taxes, the payment of administrative fines, the payment of the fees for examination and provisional licenses, or the payment of publications sold by the insurance commissioner, the fees for valuation or other expert services.

Payment Due Dates:

tit. 26 § 702

Insurers shall pay premium tax on an annual basis not later than Mar. 31 of the following calendar year.

Penalties:

tit. 26 § 704

If fail to pay by due date, fine of \$25 for each additional day of delinquency. May revoke certificate of authority of a delinquent insurer.

Extensions:

tit. 26 § 704

Commissioner may grant reasonable extension of time for filing and payment.

Retaliatory Law:

tit. 26 § 335

If by or pursuant to laws of any state or country any premium tax or income tax or other taxes, or any fees, fines, penalties, licenses, deposit requirements or other obligations, prohibitions, or restrictions are imposed upon Puerto Rico domiciled insurers doing business in such state or country, or upon its agents therein, which are in excess of such taxes, fees, fines, penalties, licenses, deposit requirements, or other obligations, prohibitions, or restrictions directly imposed upon insurers of such other state or country doing business in Puerto Rico, so long as such laws continue in force or are so applied, the same obligations, prohibitions, and restrictions of whatever kind may be imposed, at the Commissioner’s discretion, upon insurers of any such state or country doing business in Puerto Rico.

Any tax or obligation imposed by any city, county, or other political subdivision of a state or country on Puerto Rico domiciled insurers shall be deemed to be imposed by such state or country, and the Commissioner may, for the purpose of this section, compute the burden of any such tax or obligation on an aggregate statewide or countrywide basis as an addition to the rate of tax payable by similar Puerto Rico domiciled insurers in such state or country. This subsection shall not apply to ad valorem taxes on real or personal property or to personal income taxes.

FEES

Insurers’ Fees:

tit. 26 §§ 701; 21.260(2); Rule 77; Act No. 94-2014

Original filing of articles of incorporation, bylaws or other charter documents of an insurer:

Stock insurers, \$1 for each \$1,000 or fraction of authorized capital; mutual, reciprocal or Lloyd’s insurers, \$1 for each \$1,000 or fraction of surplus. No fee shall be less than \$500 or more than \$5,000.

Certificate of authority for domestic insurers and Health Services Organization (HMO):

tit. 26 § 701

| Entity’s Premium Volume | Annual Fee |
|---|-------------------|
| Less than \$5 million and those entities whose premium comes solely and exclusively from the Government Health Plan | \$5,000 |
| \$5 million or more, but less than \$20 million | 27,000 |
| \$20 million or more, but less than \$55 million | 43,500 |
| \$55 million or more, but less than \$85 million | 92,000 |
| \$85 million or more, but less than \$150 million | 130,000 |
| \$150 million or more, but less than \$230 million, | 149,500 |
| \$230 million or more, but less than \$600 million, | 172,000 |
| \$600,000,000 million or more | 200,000 |

Insurers’ Fees (cont.)

tit. 26 § 701; § 21.260(2); Rule 77; Act No. 94-2014 (cont.)

Foreign insurer:

License issuance (original or renewal)\$6,309

Foreign reinsurer:

License issuance (original or renewal)2,103

Nonprofit associations organized according to Law Number 152 of May 9, 1942:

With a premium volume of less than \$50 million5,257

With a premium volume of \$50 million or more.....31,545

Fraternal:

Benefits Society2,103

Organization and financing of insurers:

Filing application for permit to solicit250

If application is for public issuance500

Modifying solicitation permit200

Sales representative license, each year.....50

Application for authority:

Filing of an application for authorization of foreign and domestic insurers
and automobile clubs and associations and analysis and filing of annual reports.....350

Filing of an application for authorization of health care organizations,
request for certification of eligibility as an insurer of surplus lines
and the corresponding filing and analysis of the annual report300

Bureau’s license:

Rating (per class of insurance).....2,103

Advisory.....525

Surplus lines insurers:

Application for surplus line insurer eligibility statement.....300

Surplus line insurer eligibility statement.....1,051

Miscellaneous services (not applicable to individuals, corporations or entities that had complied with the annual renewal fees):

Certificate of deposit.....25

Copies of documents on file, each page.....1

Certified copies2

Miscellaneous certificates under the Commissioner’s seal, each certificate.....25

Auto:

Auto clubs license.....525

Charitable organizations:

Charitable organizations meeting statutory definition certificate of authority1,051

Insurers' Fees (cont.)

tit. 26 § 701; § 21.260(2); Rule 77; Act No. 94-2014 (cont.)

Service contract provider:

| | |
|-------------------|-------|
| License fee..... | \$500 |
| Application | 350 |

Accreditation Reinsurer fee:

| | |
|---------------------------------|-------|
| Accreditation of reinsurer..... | 1,000 |
|---------------------------------|-------|

Producer Licensing Fees:

tit. 26 § 701; Department website

Producers with an appointment as authorized representative license:

| | |
|--|-----|
| Individual, each year | 157 |
| Nonresident authorized representative, each year | 841 |
| Corporation or partnership, each year | 315 |

General agent license:

| | |
|--|-------|
| Representing two or fewer insurers..... | 1,051 |
| Representing more than two insurers..... | 5,257 |

Managing general agent license:

| | |
|--|-------|
| Representing two or fewer insurers | 1,051 |
| Representing more than two insurers..... | 5,257 |

Producer's license:

| | |
|--|-------|
| Resident producer individual license, each year | 525 |
| Corporation or partnership with a premium volume less than \$1 million..... | 1,051 |
| Corporation or partnership with a premium volume more than \$1 million | 2,103 |
| Nonresident broker..... | 841 |

Surplus lines:

| | |
|--------------|-----|
| Broker | 525 |
|--------------|-----|

Solicitor's license:

| | |
|-----------------|----|
| Each year | 52 |
|-----------------|----|

Adjuster's license:

| | |
|---------------------------------------|-----|
| Independent adjuster, each year | 210 |
|---------------------------------------|-----|

Viatical settlements:

| | |
|---|-------|
| Viatical settlement producer..... | 1,051 |
| Viatical settlement investment agent..... | 1,051 |
| Viatical settlement provider..... | 2,103 |

Insurance consultant license:

| | |
|-----------------|-----|
| Each year | 420 |
|-----------------|-----|

Producer Licensing Fees (cont.)

tit. 26 § 701; Department website (cont.)

Examination of license:

Agent, broker, solicitor, adjuster, consultant, attorney-in-fact and temporary licensee.....\$150

License of attorney-in-fact:

License.....105

License fees may be paid by the company or agent.

DEPOSITS

tit. 26 § 313 Trust Deposits of Foreign Insurers Organized in U.S.

Must maintain a deposit equal to 50% of the paid-in capital (stock insurer) or surplus (mutual insurer). In any case, the deposit will not be greater than \$1,000,000. Puerto Rico will accept a certificate from a state if that company’s domicile would extend a similar privilege to Puerto Rico insurers.

tit. 26 § 315a Trust Deposits of Domestic Insurers

Domestic insurers must maintain a deposit equal to 50% of the paid-in capital (stock insurer) or surplus (mutual insurer).

tit. 26 § 309 Capital Requirements

To qualify to receive the authority to transact any kind of insurance, an insurer must have and hold paid-in capital or surplus stock in an amount that shall not be less than what appears in the applicable portion of the following schedule:

| Kind of Insurance | Stock, Mutual, or Cooperative Insurers Capital or Surplus Required | Reciprocals or Lloyd’s Surplus Required |
|--|--|---|
| Life | \$1,500,000 | Not applicable |
| Life and disability | 2,500,000 | Not applicable |
| Disability | 1,000,000 | \$1,000,000 |
| Property | 2,000,000 | 2,000,000 |
| Agricultural only | Must qualify for Property Insurance | |
| Marine and Transportation | 1,500,000 | 1,500,000 |
| Casualty | 2,000,000 | 2,000,000 |
| Vehicle only | 1,500,000 | 1,500,000 |
| Surety and fidelity | 1,500,000 | 1,500,000 |
| Title | 1,500,000 | Not applicable |
| Mortgage loans | 3,000,000 | Not applicable |
| All insurance except life and mortgage loans | 3,000,000 | 3,000,000 |

Deposits (cont.)

tit. 26 § 316 Investment Requirements for Foreign Insurers Organized in U.S.

Must invest in Puerto Rico securities an amount equal to 50% of the paid-in capital (stock insurer) or surplus (mutual insurer). In any case, the investment does not need to be greater than \$1,000,000.

tit. 26 § 316 Investment Requirements for Domestic Insurers

Domestic insurers must invest in Puerto Rico securities an amount equal to 50% of the paid-in capital (stock insurer) or surplus (mutual insurer).

CONTACT PERSON

Admission & Financial Analysis Division
Glorimar Santiago, Director / Deputy Commissioner of Supervision & Compliance
(787) 304-8686, ext. 4401 or 1005

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RHODE ISLAND

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

R.I. Gen. Laws § 44-17-2

Except where such a charge would be inconsistent with federal law, gross premiums include all premiums and premium deposits and assessments on all policies, certificates, and renewals, written during the year, covering property and risks within the state, policies subsequently cancelled, and reinsurance assumed, whether the premiums and premium deposits and assessments are in the form of money, notes, credits, or other substitute for money, after deducting from the gross premiums the amount of return premiums on the contracts covering property and risks within this state and the amount of premiums for reinsurance assumed, of the property and risks. Mutual companies and companies which transact business on the mutual plan are also allowed to deduct from their premiums and premium deposits and assessments, the so-called dividends or unused or unabsorbed portion of the premiums and premium deposits and assessments applied in part payment of the premiums and premium deposits and assessments or returned to policyholders in cash or credited to policy holders during the year for which the tax is computed. Every domestic company, mutual association, organization, or other insurer, shall include for taxation in like manner and with like deductions premiums and premium deposits and assessments written, procured, or received in this state on business covering property or risks in any other state on which the company has not paid and is not liable to pay a tax to the other state.

Tax Rate:

§ 44-17-1

2%, includes risk retention groups.

2%, includes any health maintenance organization, any medical malpractice insurance joint underwriter's association, any nonprofit dental service corporation and any nonprofit hospital or medical service corporation.

§ 27-3-38

4% surplus lines paid by surplus lines broker to the division of taxation

[Note: Please see the Surplus Lines chart for further information.]

Other Taxes and Assessments:

§ 42-14-10 Actuary Expenses

Assess insurers to pay expenses of actuary in department of banking and insurance.

§ 27-36-2 Consumer Representation Expenses

Assess insurers for costs of consumer representation at rate hearings.

§§ 27-9-52; 28-37-13 to 28-37-15 Workers’ Compensation Administrative Account

Funding provided by assessment on insurers writing compensation coverage. The rate is 5.50% of gross premiums received for workers’ compensation or employers’ liability insurance, or such amount as determined necessary by the director on or before July 15 each year to maintain the balance required in the fund. This assessment funds the Arrigan Rehabilitation Center, the education unit, the Workers’ Compensation Court, the Department of Labor and Training, Division of Workers’ Compensation Advisory Council and the Department of Business Regulation. Minimum assessment \$100. Return due within 60 days of notice.

2003 P.L., Ch. 410, § 19 Residual Risk Fund

Workers’ compensation insurers are assessed to allow the fund to continue to service the residual market and satisfy the reserve and surplus requirements of Rhode Island law. The director shall determine the rate of assessment. There was no assessment for 2022.

§ 31-50-4; 230 R.I. Code of Regs. (RICR) 20-05-7 (formerly Ins. Reg. 83) Office of Automobile Theft and Insurance Fraud Assessment

To fund office, each insurer writing auto insurance shall be assessed an amount equal to its annual percentage market share, on or before Mar. 1 of each year, \$1 times the total number of vehicles weighing 10,000 pounds or less registered with registry of motor vehicles.

§ 42-62-15 Catastrophic Health Insurance Fund

Health insurers agree to share losses of pool, based on number of insureds.

→ § 23-1-46 Immunization Assessment

Companies writing accident and health insurance are assessed a proportionate share of their accident and health premiums written in Rhode Island. Monthly assessment per contribution enrollee for each account is as follows:

| | Jan.–June 2022 | July–Dec. 2022 |
|-----------|-----------------------|-----------------------|
| Childhood | \$14.78 | \$14.78 |
| Adult | \$3.18 | \$3.56 |

Other Taxes and Assessments (cont.)

§ 42-14.1-1; 230-RICR-20-10-1 (formerly Ins. Reg. 21) Medical Malpractice Joint Underwriting Association

Director may assess insurers for the deficit based on the proportion of premiums of each company, compared to all premiums for personal injury liability.

§ 27-34-8 Property and Casualty Guaranty Association

Association may assess insurers no more than 2% net written premiums for preceding calendar year for type of insurance in account with deficiency.

§ 27-34.3-9 Life and Health Guaranty Association

Association may assess insurers an amount of no more than \$300 per year for administrative expenses, to be credited against insolvency assessments, and an amount not to exceed 3% net written premium for the preceding year for the kinds of insurance in the account with the insolvency.

Exclusions and Deductions:

§ 27-25-24 Fraternal

Fraternal are exempt from the payment of premium taxes.

Credits:

§ 44-31-1 Investment Tax Credit

An investment tax credit may be taken in the amount of 10% of the cost of computer and telecommunications equipment if certain conditions are met. The credit is limited to Rhode Island assets only and the credit cannot lower the tax due by more than 50%.

§ 44-31-2 Specialized Investment Tax Credit

Tax credits are available for rehabilitation of certified buildings.

§ 27-34.3-13 Life and Health Guaranty Association

Insolvency assessments may be offset against premium tax at rate of 10% a year for five years following the year of assessment. No credit for administrative expense assessment.

§§ 44-33.2-3; 44-33.6 Historic Structures

For approved rehabilitation of certified historic structures. The original certificate must be attached to the return. Any unused credit amount may be carried forward for 10 years.

Payment Due Dates:

§ 44-17-1

Return due April 15.

§ 44-26-2.1

Notwithstanding any Rhode Island statute to the contrary, every corporation having a taxable year beginning after December 31, 2017, shall file its declaration and estimated payment in accordance with federal statute and regulations: with current federal filing requirements, the 4 estimated tax installment payments of 25% each are due: on the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any due date falls on a Saturday, Sunday, or Rhode Island legal holiday, the installment is due on the next regular business day.

230-RICR-20-05-7 (formerly Ins. Reg. 83)

Office of automobile theft and insurance fraud assessment shall be paid within 30 days of assessment.

Penalties:

§§ 44-1-7; 44-1-7.1

Interest on unpaid amount is based on 2% over prime rate as of Oct. 1. The minimum is 18%, maximum of 21%.

§ 44-26-9

May also assess up to \$500 penalty for failure to file. For failure to file a declaration of estimated tax may be assessed a fine not less than \$500 nor more than \$10,000 and/or imprisoned one year.

§ 28-37-23

Interest on workers' compensation insurers' delinquent payments is 1% per month from the due date.

Extensions:

§ 44-17-3

May extend time for filing return for reasonable cause. Is not deemed an extension of time for payment of the tax.

§ 28-37-22 Workers' Compensation Returns

May extend time for filing workers' compensation returns. Insurer required to pay 1% per month interest on payment due.

Retaliatory Law:

§ 44-17-1 Division of Taxation

In the case of foreign or alien companies, the tax shall not be less in amount than imposed by laws of state or country under which companies are organized. Calculate upon companies and agents if doing business to same extent; includes premium tax and fire marshal tax, etc.

§ 27-2-17 Division of Insurance

Whenever another state charges fees, taxes, deposits or other obligations to Rhode Island insurers, the same charges will be imposed on other companies doing business in Rhode Island. The tax return calculates retaliation on the taxes only. Fees and licenses are separate. Rhode Island retaliatory gross premium tax rates do not apply to insurance companies incorporated or organized under the laws of a state or country whose laws do not impose retaliatory taxes or other charges.

FEES

Calculations are made on a fee-by-fee basis. If no fee is listed, a retaliatory fee will be collected.

Insurers' Fees:

§§ 27-2-16; 27-2.1-1; 27-2.1-2; 27-2.2-3; 27-2.2-4; 27-2.4-4; 27-3.2-9; 42-14-18; 230-RICR-20-50-5 (formerly Ins. Reg. 103)

Foreign insurers:

| | |
|--|---------------------------------|
| Annual publication fee..... | \$25 |
| Filing of application for admission..... | 1,200 |
| Review of application..... | assessed for actual review time |
| Filing amended articles of incorporation/bylaws/merger agreements, etc..... | 4 |
| Amendment of certificate of compliance..... | 4 |
| Amended bylaws..... | 4 |
| Filing copy of charter or deed of settlement prior to admission..... | 30 |
| Filing annual statement preliminary to admission..... | 100 |
| Filing each annual statement after admission..... | 100 |
| Issuance of original certificate of compliance (license)..... | 100 |
| Annual license fee..... | 100 |
| An insurer transferring its domicile to RI pays a filing fee in addition to all other fees paid by a domestic insurer organizing in RI..... | 1,000 |

Domestic insurer:

Transfers its domicile to any other state or jurisdiction must pay a filing fee..... 1,000

Form and rate filing fees (§ 42-14-18; Ins. Bulletin 2002-13):

| | |
|---|----|
| Policy and related forms filed together, for each policy and certificate..... | 40 |
| Riders, endorsements, applications, etc..... | 25 |
| Revised rates or forms for previously filed policy..... | 25 |

Insurers’ Fees (cont.)

§§ 27-2-16; 27-2.1-1; 27-2.1-2; 27-2.2-3; 27-2.2-4; 27-2.4-4; 27-3.2-9; 42-14-18; 230-RICR-20-50-5 (formerly Ins. Reg. 103) (cont.)

Contracted Producer Report/Fee (§ 27-2.4-4; 230-RICR-20-50-50):

Annual..... \$30
Company pays \$30 for each producer to which the company paid at least \$100 of commissions for business written in Rhode Island during the prior year.

Producer Licensing Fees:

§§ 27-2.4-4; 27-10-3; 27-10-6; 27-10.1-1; 27-20.7-14; 27-52-3; 27-2.7-7; 230-RICR-20-50-2 (formerly Ins. Reg. 40); 230-RICR-20-50-5 (Ins. Reg. 103); 230-RICR-20-50-2.11; 230-RICR-20-50-5.6

Insurance producer (life, accident and health and sickness, property, casualty, variable life and annuity, personal lines, title, and all limited lines of authority):

Initial two-year license and biennial renewal—resident..... 120
Comprised of \$55 annual fee and \$5 annual Continuing Education tracking fee.
 Initial two-year license and biennial renewal—nonresident..... 130
Comprised of \$60 annual fee, \$5 annual retaliatory fee and \$5 annual Continuing Education tracking fee.
 Reciprocal continuing education course submission fee 60
 Non-reciprocal continuing education course submission fee..... 60 + 75 course review fee
 Continuing education provider initial registration fee 100
 Continuing education provider registration renewal fee 50

Insurance claims adjuster:

Initial two-year license and biennial renewal—resident and nonresident..... 250

Motor vehicle damage appraiser:

Initial two-year license and biennial renewal—resident and nonresident..... 150

Surplus lines broker:

Initial two-year license and biennial renewal—resident and nonresident..... 100
Comprised of \$50 annual fee.

Third party health insurance administrator:

Certificate of authority or waiver—resident and nonresident..... 250
 Annual fee..... 250

Reinsurance intermediaries:

Initial two-year license and biennial renewal 200
Comprised of \$100 annual fee.

Portable electronics vendor:

Initial two-year license and biennial renewal 200

Producer Licensing Fees (cont.)

§§ 27-2.4-4; 27-10-3; 27-10-6; 27-10.1-1; 27-20.7-14; 27-52-3; 27-2.7-7; 230-RICR-20-50-2 (formerly Ins. Reg. 40); 230-RICR-20-50-5 (Ins. Reg. 103); 230-RICR-20-50-2.11; 230-RICR-20-50-5.6 (cont.)

Miscellaneous services:

| | |
|-------------------------------------|------|
| Returned check fee..... | \$25 |
| Reinstatement fee..... | 50 |
| Adding a line of authority fee..... | 50 |

DEPOSITS

§ 27-2-6

Foreign insurers shall deposit \$100,000 or provide certificate that another state holds such an amount in trust.

→ **CONTACT PERSON**

- Department of Revenue—Corporate Taxes
Carlita Annicelli: (401) 574-8806
- Division of Insurance—Insurance Producer Licensing
Rachel Chester: (401) 462-9604
- Division of Insurance—Insurance Company Licensing
Deb Almeida: (401) 462-9542
- Department of Labor & Training—Workers’ Compensation
Matthew Carey: (401) 462-8127; matt.carey@dlt.ri.gov
- Department of Health—Infant Child Assessment
Lisa Gargano: (401) 222-8022

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

SOUTH CAROLINA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

S.C. Code Ann. § 38-7-20

Total South Carolina premiums written, other than annuity considerations, less return premiums and dividends paid.

Tax Rate:

§ 38-7-20

0.75% life insurance

1.25% all except life and workers' compensation

§ 38-7-40

1% additional tax on fire insurance premiums

§ 38-7-50

2.5% for workers' compensation

§ 38-87-40

Risk retention group taxed on same basis as a foreign admitted insurer.

§ 38-90-140 Captives

Direct Insurance

| Premiums | Rate |
|----------------------|--|
| \$20 million or less | 0.4% |
| over \$20 million | \$80,000 plus 0.3% of excess over \$20 million |
| | There is a maximum tax of \$100,000 on direct and assumed premiums in total. |

(cont.)

Tax Rate (cont.)

§ 38-90-140 Captives (cont.)

Reinsurance Assumed

| Premiums | Rate |
|-----------------------------------|--|
| \$20 million or less | 0.225% |
| over \$20 million to \$40 million | \$45,000 plus 0.15% of excess over \$20 million |
| over \$40 million to \$60 million | \$75,000 plus 0.05% of excess over \$40 million |
| over \$60 million | \$85,000 plus 0.025% times excess over \$60 million |
| | There is a maximum tax of \$100,000 on direct and assumed premiums in total. |

In the calendar year in which a captive is first licensed, if the aggregate taxes to be paid by a captive insurance company amount to less than the minimum tax prorated on a quarterly basis, the captive insurance company shall pay the prorated minimum tax for that calendar year. Captive insurers licensed in the first quarter \$5,000, second quarter \$3,750, third quarter \$2,500, and fourth quarter \$1,250. After the first year, captive insurers pay a minimum tax of \$5,000. There is a maximum tax of \$100,000 on direct and assumed premiums in total.

The tax provided for in this section constitutes all taxes collectible under the laws of this state from a captive insurance company, and no other occupation tax or other taxes may be levied or collected from a captive insurance company by the state or a county, city or municipality within this state, except ad valorem taxes on real and personal property used in the production of income.

§ 38-90-580 Special Purpose Financial Captives

Direct Insurance

| Premiums | Rate |
|----------------------|---|
| \$20 million or less | 0.4% |
| over \$20 million | \$80,000 plus 0.3% of excess over \$20 million |
| | There is a minimum annual tax of \$5,000 and a maximum annual tax of \$100,000. |

Reinsurance Assumed

| Premiums | Rate |
|-----------------------------------|---|
| \$20 million or less | 0.225% |
| over \$20 million to \$40 million | \$45,000 plus 0.15% of excess over \$20 million |
| over \$40 million to \$60 million | \$75,000 plus 0.05% of excess over \$40 million |
| over \$60 million | \$85,000 plus 0.025% times excess over \$60 million |
| | There is a minimum annual tax of \$5,000 and a maximum annual tax of \$100,000. |

(cont.)

Tax Rate (cont.)

§ 38-90-580 Special Purpose Financial Captives (cont.)

The tax provided for in this section constitutes all taxes collectible under the laws of this state from a special purpose financial captive, and no other occupation tax or other taxes may be levied or collected from a special purpose financial captive by the state or a county, city or municipality within this state, except ad valorem taxes on real and personal property used in the production of income.

Other Taxes and Assessments:

§ 38-7-30 Fire Inspection Tax

Insurers pay 1% additional tax on fire insurance premiums to pay expenses of investigations.

Act No. 60 (2001) Fire Maintenance Tax

On fire insurance companies an additional tax of 0.35% is imposed annually on premiums.

§ 42-7-310 Second Injury Fund

May assess insurers based on workers' compensation benefits paid out during year.

§ 38-74-50 Health Insurance Pool

May assess insurers writing health insurance, including HMOs, for net losses of pool.

§ 38-81-340 Legal Professional Liability Joint Underwriting Association

All insurers writing bodily injury liability insurance may be assessed on basis of net direct written premiums.

§ 38-83-130 Professional Liability Insurance Joint Underwriting Association

All insurers writing bodily injury liability insurance other than auto liability, homeowner's liability, and farm owner's liability may be assessed on the basis of net direct written premiums.

§ 38-75-370 Wind and Hail Underwriting Association

Association may assess insurers writing property insurance for losses of association.

§ 38-31-60 Property and Casualty Guaranty Association

Association may assess member for expenses of insolvencies at rate no greater than 1% net direct written premiums for type of coverage in account with insolvency.

Other Taxes and Assessments (cont.)

§ 38-29-80 Life and Health Guaranty Association

Association may assess not more than \$100 for administrative expenses which is included in a maximum assessment of 4% of insurer's premiums for kinds of insurance in account with deficiency.

§ 38-7-160 Municipal Tax

No municipality may charge a license fee or tax on fire insurance which exceeds 2% of premiums collected in municipality or 5% in municipalities exceeding 50,000 people. A chart showing the rate charged by each municipality follows.

§ 38-79-125 Medical Malpractice Liability Joint Underwriting Association

As of January 1, 2020, insurers authorized to write on a direct basis bodily injury liability insurance, other than automobile, homeowners, and farm owners, must pay an assessment equal to their proportional share of 20% of the accumulated deficit of the association. Each insurer may pay the assessment in one lump sum or in equal installments over a period not to exceed 5 years. The assessment may be incorporated into the rate filings of the insurer. Upon satisfaction of the assessment, the insurer may withdrawal as a member of the association.

§ 38-79-220 Medical Malpractice Liability Joint Underwriting Association

Beginning on January 1, 2020, assessments for the accumulated deficits begin on the association members between 2% and 6% each year until the deficit is retired.

Exclusions and Deductions:

§ 38-7-180 Nonprofit Insurers

Any insurance company which is exempt from federal taxation and insures only churches and their property shall be exempt from taxes. Evidence required for exemption.

§ 38-38-440 Fraternal Benefit Societies

Fraternal are exempt from premium tax.

Crop Insurance

The South Carolina Department of Insurance does not require insurers to pay premium taxes on federally reinsured crop policies.

Credits:

§ 12-6-3440 Child Care Program

An employer, including an insurer, may claim a tax credit equal to 50% of its capital expenditures in South Carolina, but no more than \$100,000, for costs incurred in establishing a child care program.

§ 12-6-3430 Palmetto Seed Capital Corporation Credit

The tax credit allowed for investments in the Palmetto Seed Corporation is the lesser of all qualified investments times 30%, or 50% of all qualified investments during all tax years times 30%. The maximum credit is the tax liability after the application of all other credits. Unused credit may be carried forward 10 years.

§ 12-6-3360 Job Tax Credit

Insurers may take a credit against premium taxes for five years beginning in the second year after the creation of a new job. The maximum credit is 50% of the tax liability.

§ 38-7-190 Economic Incentive Tax Credit

The credits listed under Chapter 6 of Title 12 (above) may be applied against any taxes, license fees or other assessments. Credits earned by one member of a controlled group may be used by other members of the same group.

§ 38-74-80 Health Insurance Pool

May take a credit for assessment paid to health insurance pool. Credit may not reduce tax liability below zero; unused credit may be carried forward three years.

§ 38-29-160 Life and Health Guaranty Association

Assessment may be taken as offset against premium tax at a rate of 20% per year for five years beginning year after assessment paid.

§ 38-7-200 Property and Casualty

An insurer providing full property and casualty coverage, to specifically include wind and hail coverage, to property owners within a defined area, may claim as a nonrefundable credit against the premium tax imposed in an amount equal to 25% of the tax that otherwise is due on the premium written for the property owners for the taxable year. The tax credit allowed may only be claimed once for any one structure.

§ 11-45-55 Venture Capital Investment Act

Tax credits are available for venture capital investments.

§ 12-6-3535 Historic Tax Credits

Tax credits are available for rehabilitation of designated historic structures.

Credits (cont.)

§ 12-6-3530 Community Development Tax Credit

A taxpayer may claim a credit against his premium tax liability 33% of all amounts invested in a community development corporation or in a community development financial institution.

§ 12-65-30 Textiles Communities Revitalization Tax Credit

A taxpayer may claim a credit against his premium tax liability if the taxpayer rehabilitates a textile mill site.

§ 12-67-140 Abandoned Buildings Revitalization Tax Credit

A taxpayer who rehabilitates an abandoned building make take a credit against insurance premium taxes.

§ 12-6-3795 South Carolina Housing Tax Credit

A taxpayer who is eligible for the Federal Housing Tax Credit may claim a South Carolina housing tax credit against insurance premium taxes.

Payment Due Dates:

§ 38-7-60

Returns due on or before Mar. 1. Quarterly installments due on or before June 1, Sept. 1 and Dec. 1 estimated at one-fourth of the prior year tax liability at current tax rate, with a reconciliation with the final payment due Mar. 1. An insurer whose quarterly tax installments are less than \$1,000 per payment may elect not to pay its tax liability on a quarterly basis and is not required to file a quarterly tax return. Entire payment must be made not later than Mar. 1.

Penalties:

§ 38-7-140 Criminal Penalty

If fail to file or pay taxes, may fine up to \$5,000 or imprisonment up to three years.

§ 38-7-120 Administrative Penalty

Assess 5% penalty if additional tax found due is not paid within 15 days after notification by the director. In addition, interest must be added at the rate of 5% for each month or fraction of a month.

Extensions:

No specific provision for extension for filing premium tax return.

Retaliatory Law:

§ 38-7-90

When the laws of another state would subject South Carolina insurers or agents to fees, taxes, obligations, conditions, restrictions or penalties higher than those South Carolina charges similar insurers and agents domiciled in other states, considered in the aggregate, retaliation will occur. Fees, taxes or other obligations imposed by municipalities are included in the calculation.

FEES

Insurers' Fees:

All insurers' fees are considered in an aggregate computation with taxes for purposes of retaliation.

§§ 38-7-10; 38-17-160; 38-38-530; 38-33-220

License fees:

| | |
|--|-------|
| Original license and biennial renewals for all insurers including reciprocals..... | \$800 |
| (except fraternal and mutual benevolent aid associations) | |
| In addition, biennial license fee for each type of insurance licensed to sell | 400 |
| Fraternal license fee if more than 200 members, biennially | 1,000 |
| Fraternal license fee if less than 200 members, biennially | 100 |
| Mutual insurers doing business in no more than three counties, biennial license fee..... | 100 |
| Mutual insurers doing business only one county, biennial license fee | 40 |
| Reciprocal insurer, license fee of attorney-in-fact, biennially | 400 |
| Health maintenance organization filing each annual report..... | 1,000 |

Producer Licensing Fees:

§§ 38-43-80; 38-43-500; Bulletin 92-5

Producer:

| | |
|--|-----|
| License fee (except travel baggage) biennially | 25 |
| Additional fee to add a new qualification to existing producer license | 25 |
| Producer, appointment fee (biennially by the insurer)..... | 40 |
| Travel baggage appointment (biennially by the insurer) | 20 |
| General or special appointment, biennially..... | 100 |
| Agency, biennially | 40 |
| Rental car agency, biennially..... | 40 |

§ 38-47-30

Adjuster's license:

| | |
|-------------------------------|----|
| Biennially (retaliatory)..... | 80 |
|-------------------------------|----|

§ 38-48-50

Public adjuster:

| | |
|--|----|
| License, biennially (retaliatory)..... | 80 |
|--|----|

Producer Licensing Fees (cont.)

§ 38-49-20

Motor vehicle physical damage appraiser:

Biennially..... \$80

§§ 38-45-20; 38-45-30

Broker:

Biennial fee 200

§ 38-90-20

Captive insurance company:

Application fee..... 200

License 300

Annual renewal 500

Processing fee (fee determine appropriate by the director of insurance)..... 4,000

§ 38-90-440

Special purpose financial captives:

License 300

Annual renewal 500

Annual review fee 2,400 or if higher, the actual cost

Processing fee (based on hourly fee) minimum 12,000

DEPOSITS

§ 38-9-80; Code Ann. Regs. 69-15

Director may require insurers to deposit securities having a current market value determined by the director, of not less than \$125,000 nor more than \$200,000. The director may increase or decrease the amount required as a deposit based on standards contained in statute.

§ 38-9-100

If a stock insurer has at least \$10 million in capital and surplus or if a mutual insurer has at least \$10 million in surplus and has deposited at least \$1 million in acceptable securities with another state, the director may accept a certification of deposit from that state instead of requiring a deposit.

§ 38-15-30

Insurers doing business in South Carolina that offer or undertake to become surety upon any bond or other surety contract must, in addition to any other deposit required by the laws of South Carolina, deposit with the director bonds of the United States or of any state of the United States in the market value of \$100,000.

→ **CONTACT PERSON**

Premium Tax, Insurers' Fees

Sharon B. Waddell: (803) 737-4910; swaddell@doi.sc.gov

Producer Licensing Fees

Andrea Bourgoïn: (803) 737-5757; abourgoïn@doi.sc.gov

→ Deposits

Stacy Johnson: (803) 737-6221; securities@doi.sc.gov

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Retaliation—December 2022

| Property and Casualty Worksheet | |
|---------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| ABBEVILLE | 2.00% |
| AIKEN | 2.00% |
| ALLENDALE | 2.00% |
| ANDERSON | 2.00% |
| ANDREWS | 2.00% |
| ATLANTIC BEACH | 2.00% |
| ARCADIA LAKES | 2.00% |
| AWENDAW | 2.00% |
| BAMBERG | 2.00% |
| BARNWELL | 2.00% |
| BATESBURG-LEESVILLE | 2.00% |
| BEAUFORT | 2.00% |
| BELTON | 2.00% |
| BENNETTSVILLE | 2.00% |
| BETHUNE | 2.00% |
| BISHOPVILLE | 2.00% |
| BLACKSBURG | 2.00% |
| BLACKVILLE | 2.00% |
| BLENHEIM | 2.00% |
| BLYTHEWOOD | 2.00% |
| BONNEAU | 2.00% |
| BOWMAN | 2.00% |
| BRANCHVILLE | 2.00% |
| BRIARCLIFFE ACRES | 2.00% |
| BURNETTOWN | 2.00% |
| CALHOUN FALLS | 2.00% |
| CAMDEN | 2.00% |
| CAMERON | 2.00% |
| CAMPOBELLO | 2.00% |
| CARLISLE | 2.00% |
| CAYCE | 2.00% |
| CENTRAL | 2.00% |
| CENTRAL PACOLET | 2.00% |
| CHAPIN | 2.00% |
| CHARLESTON | 2.00% |
| CHERAW | 2.00% |
| CHESNEE | 2.00% |
| CHESTER | 2.00% |
| CHESTERFIELD | 2.00% |
| CLEMSON | 2.00% |
| CLINTON | 2.00% |
| CLIO | 2.00% |
| CLOVER | 2.00% |
| COLUMBIA | 2.00% |
| CONWAY | 2.00% |
| COPE | 2.00% |
| CORDOVA | 2.00% |

| Property and Casualty Worksheet | |
|---------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| COWARD | 2.00% |
| COWPENS | 2.00% |
| DARLINGTON | 2.00% |
| DENMARK | 2.00% |
| DILLON | 2.00% |
| DUE WEST | 2.00% |
| DUNCAN | 2.00% |
| EASLEY | 2.00% |
| EASTOVER | 2.00% |
| EDGEFIELD | 2.00% |
| EDISTO BEACH | 2.00% |
| EHRHARDT | 2.00% |
| ELGIN | 2.00% |
| ESTILL | 2.00% |
| FAIRFAX | 2.00% |
| FLORENCE | 2.00% |
| FOLLY BEACH | 2.00% |
| FOREST ACRES | 2.00% |
| FORT LAWN | 2.00% |
| FORT MILL | 2.00% |
| FOUNTAIN INN | 2.00% |
| GAFFNEY | 2.00% |
| GASTON | 2.00% |
| GEORGETOWN | 2.00% |
| GIFFORD | 2.00% |
| GILBERT | 2.00% |
| GOOSE CREEK | 2.00% |
| GRAY COURT | 2.00% |
| GREAT FALLS | 2.00% |
| GREELEYVILLE | 2.00% |
| GREENVILLE | 2.75% |
| GREENWOOD | 2.00% |
| GREER | 2.00% |
| HAMPTON | 2.00% |
| HANAHAN | 2.00% |
| HARDEEVILLE | 2.00% |
| HARLEYVILLE | 2.00% |
| HARTSVILLE | 2.00% |
| HEATH SPRINGS | 2.00% |
| HEMINGWAY | 2.00% |
| HILDA | 2.00% |
| HILTON HEAD ISLAND | 2.00% |
| HODGES | 2.00% |
| HOLLY HILL | 2.00% |
| HOLLYWOOD | 2.00% |
| HONEA PATH | 2.00% |
| INMAN | 2.00% |

Retaliation—December 2022

| Property and Casualty Worksheet | |
|---------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| IRMO | 2.00% |
| ISLE OF PALMS | 2.00% |
| JACKSON | 2.00% |
| JAMESTOWN | 2.00% |
| JEFFERSON | 2.00% |
| JOHNSONVILLE | 2.00% |
| JOHNSTON | 2.00% |
| KERSHAW | 2.00% |
| KIAWAH ISLAND | 2.00% |
| KINGSTREE | 2.00% |
| LAKE CITY | 2.00% |
| LAKE VIEW | 2.00% |
| LAMAR | 2.00% |
| LANCASTER | 2.00% |
| LANDRUM | 2.00% |
| LANE | 2.00% |
| LATTA | 2.00% |
| LAURENS | 2.00% |
| LEXINGTON | 2.00% |
| LIBERTY | 2.00% |
| LINCOLNVILLE | 2.00% |
| LITTLE MOUNTAIN | 2.00% |
| LIVINGSTON | 2.00% |
| LODGE | 2.00% |
| LORIS | 2.00% |
| LOWNDESVILLE | 2.00% |
| LURAY | 2.00% |
| LYMAN | 2.00% |
| LYNCHBURG | 2.00% |
| MANNING | 2.00% |
| MARION | 2.00% |
| MAULDIN | 2.00% |
| MAYESVILLE | 2.00% |
| MC COLL | 2.00% |
| MCBEE | 2.00% |
| MCCLELLANVILLE | 2.00% |
| MCCONNELLS | 2.00% |
| MCCORMICK | 2.00% |
| MEGETT | 2.00% |
| MONCK'S CORNER | 2.00% |
| MONETTA | 2.00% |
| MOUNT PLEASANT | 2.00% |
| MULLINS | 2.00% |
| MYRTLE BEACH | 2.00% |
| NEESES | 2.00% |
| NEW ELLENTON | 2.00% |

| Property and Casualty Worksheet | |
|---------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| NEWBERRY | 2.00% |
| NICHOLS | 2.00% |
| NINETY SIX | 2.00% |
| NORRIS | 2.00% |
| NORTH | 2.00% |
| NORTH AUGUSTA | 2.00% |
| NORTH CHARLESTON | 2.00% |
| NORTH MYRTLE BEACH | 2.00% |
| NORWAY | 2.00% |
| OLAR | 2.00% |
| ORANGEBURG | 2.00% |
| PACOLET | 2.00% |
| PAGELAND | 2.00% |
| PAMPLICO | 2.00% |
| PATRICK | 2.00% |
| PAWLEYS ISLAND | 2.00% |
| PELION | 2.00% |
| PENDLETON | 2.00% |
| PERRY | 2.00% |
| PICKENS | 2.00% |
| PINE RIDGE | 2.00% |
| POMARIA | 2.00% |
| PORT ROYAL | 2.00% |
| PROSPERITY | 2.00% |
| RAVENEL | 2.00% |
| REEVESVILLE | 2.00% |
| REIDVILLE | 2.00% |
| RIDGE SPRING | 2.00% |
| RIDGELAND | 2.00% |
| RIDGEVILLE | 2.00% |
| RIDGEWAY | 2.00% |
| ROCK HILL | 2.00% |
| ROWESVILLE | 2.00% |
| RUBY | 2.00% |
| SALEM | 2.00% |
| SALLEY | 2.00% |
| SALUDA | 2.00% |
| SCRANTON | 2.00% |
| SEABROOK ISLAND | 2.00% |
| SELLERS | 2.00% |
| SENECA | 2.00% |
| SIMPSONVILLE | 2.00% |
| SIX MILE | 2.00% |
| SMOAKS | 2.00% |
| SNELLING | 2.00% |

Retaliation—December 2022

| Property and Casualty Worksheet | |
|--|-----------------|
| NAME OF MUNICIPALITY | TAX RATE |
| SOCIETY HILL | 2.00% |
| SOUTH CONGAREE | 2.00% |
| SPARTANBURG | 2.00% |
| SPRINGDALE | 2.00% |
| SPRINGFIELD | 2.00% |
| ST GEORGE | 2.00% |
| ST MATTHEWS | 2.00% |
| ST. STEPHEN | 2.00% |
| SULLIVANS ISLAND | 2.00% |
| SUMMERTON | 2.00% |
| SUMMERVILLE | 2.00% |
| SUMTER | 2.00% |
| SURFSIDE BEACH | 2.00% |
| SWANSEA | 2.00% |
| TATUM | 2.00% |
| TEGA CAY | 2.00% |
| TIMMONSVILLE | 2.00% |
| TRAVELERS REST | 2.00% |
| TRENTON | 2.00% |
| TROY | 2.00% |
| TURBEVILLE | 2.00% |
| ULMER | 2.00% |
| UNION | 2.00% |
| VARNVILLE | 2.00% |
| WAGENER | 2.00% |
| WALHALLA | 2.00% |
| WALTERBORO | 2.00% |
| WARE SHOALS | 2.00% |
| WATERLOO | 2.00% |
| WELLFORD | 2.00% |
| WEST COLUMBIA | 2.00% |
| WEST PELZER | 2.00% |
| WESTMINSTER | 2.00% |
| WHITMIRE | 2.00% |
| WILLIAMSTON | 2.00% |
| WILLISTON | 2.00% |
| WINNSBORO | 2.00% |
| WOODRUFF | 2.00% |
| YORK | 2.00% |

Retaliation—December 2022

| Life, Accident, and Health Worksheet | |
|--------------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| ABBEVILLE | 0.75% |
| ALLENDALE | 0.75% |
| ANDERSON | 0.75% |
| ANDREWS | 0.75% |
| ATLANTIC BEACH | 0.75% |
| ARCADIA LAKES | 0.75% |
| AWENDAW | 0.75% |
| BAMBERG | 0.75% |
| BARNWELL | 0.75% |
| BATESBURG-LEESVILLE | 0.75% |
| BEAUFORT | 0.75% |
| BELTON | 0.75% |
| BENNETTSVILLE | 0.75% |
| BETHUNE | 0.75% |
| BISHOPVILLE | 0.75% |
| BLACKSBURG | 0.75% |
| BLACKVILLE | 0.75% |
| BLENHEIM | 0.75% |
| BLYTHEWOOD | 0.75% |
| BONNEAU | 0.75% |
| BOWMAN | 0.75% |
| BRANCHVILLE | 0.75% |
| BRIARCLIFFE ACRES | 0.75% |
| BURNETTOWN | 0.75% |
| CALHOUN FALLS | 0.75% |
| CAMDEN | 0.75% |
| CAMERON | 0.75% |
| CAMPOBELLO | 0.75% |
| CARLISLE | 0.75% |
| CAYCE | 0.75% |
| CENTRAL | 0.75% |
| CENTRAL PACOLET | 0.75% |
| CHAPIN | 0.75% |
| CHARLESTON | 0.75% |
| CHERAW | 0.75% |
| CHESNEE | 0.75% |
| CHESTER | 0.75% |
| CHESTERFIELD | 0.75% |
| CLEMSON | 0.75% |
| CLINTON | 0.75% |
| CLIO | 0.75% |
| CLOVER | 0.75% |
| COLUMBIA | 0.75% |
| COPE | 0.75% |
| CORDOVA | 0.75% |
| COWARD | 0.75% |
| COWPENS | 0.75% |

| Life, Accident, and Health Worksheet | |
|--------------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| DARLINGTON | 0.75% |
| DENMARK | 0.75% |
| DILLON | 0.75% |
| DUE WEST | 0.75% |
| DUNCAN | 0.75% |
| EASLEY | 0.75% |
| EASTOVER | 0.75% |
| EDGEFIELD | 0.75% |
| EDISTO BEACH | 0.75% |
| EHRHARDT | 0.75% |
| ELGIN | 0.75% |
| ESTILL | 0.75% |
| FAIRFAX | 0.75% |
| FLORENCE | 0.75% |
| FOLLY BEACH | 0.75% |
| FOREST ACRES | 0.75% |
| FORT LAWN | 0.75% |
| FORT MILL | 0.75% |
| FOUNTAIN INN | 0.75% |
| GAFFNEY | 0.75% |
| GASTON | 0.75% |
| GEORGETOWN | 0.75% |
| GIFFORD | 0.75% |
| GILBERT | 0.75% |
| GRAY COURT | 0.75% |
| GREAT FALLS | 0.75% |
| GREELEYVILLE | 0.75% |
| GREENVILLE | 0.75% |
| GREENWOOD | 0.75% |
| GREER | 0.75% |
| HAMPTON | 0.75% |
| HANAHAN | 0.75% |
| HARDEEVILLE | 0.75% |
| HARLEYVILLE | 0.75% |
| HARTSVILLE | 0.75% |
| HEATH SPRINGS | 0.75% |
| HEMINGWAY | 0.75% |
| HILDA | 0.75% |
| HILTON HEAD ISLAND | 0.75% |
| HODGES | 0.75% |
| HOLLY HILL | 0.75% |
| HOLLYWOOD | 0.75% |
| HONEA PATH | 0.75% |
| INMAN | 0.75% |
| IRMO | 0.75% |
| ISLE OF PALMS | 0.75% |
| IVA | 0.75% |

Retaliation—December 2022

| Life, Accident, and Health Worksheet | |
|--------------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| JACKSON | 0.75% |
| JAMESTOWN | 0.75% |
| JEFFERSON | 0.75% |
| JOHNSONVILLE | 0.75% |
| JOHNSTON | 0.75% |
| KERSHAW | 0.75% |
| KIAWAH ISLAND | 0.75% |
| KINGSTREE | 0.75% |
| LAKE CITY | 0.75% |
| LAKE VIEW | 0.75% |
| LAMAR | 0.75% |
| LANCASTER | 0.75% |
| LANDRUM | 0.75% |
| LANE | 0.75% |
| LATTA | 0.75% |
| LAURENS | 0.75% |
| LEXINGTON | 0.75% |
| LIBERTY | 0.75% |
| LINCOLNVILLE | 0.75% |
| LITTLE MOUNTAIN | 0.75% |
| LIVINGSTON | 0.75% |
| LODGE | 0.75% |
| LORIS | 0.75% |
| LOWNDESVILLE | 0.75% |
| LURAY | 0.75% |
| LYMAN | 0.75% |
| LYNCHBURG | 0.75% |
| MANNING | 0.75% |
| MARION | 0.75% |
| MAULDIN | 0.75% |
| MAYESVILLE | 0.75% |
| MC COLL | 0.75% |
| MCBEE | 0.75% |
| MCCLELLANVILLE | 0.75% |
| MCCONNELLS | 0.75% |
| MCCORMICK | 0.75% |
| MEGGETT | 0.75% |
| MONCK'S CORNER | 0.75% |
| MONETTA | 0.75% |
| MULLINS | 0.75% |
| NEESES | 0.75% |
| NEW ELLENTON | 0.75% |
| NEWBERRY | 0.75% |
| NICHOLS | 0.75% |
| NINETY SIX | 0.75% |

| Life, Accident, and Health Worksheet | |
|--------------------------------------|----------|
| NAME OF MUNICIPALITY | TAX RATE |
| NORRIS | 0.75% |
| NORTH | 0.75% |
| NORTH CHARLESTON | 0.75% |
| NORTH MYRTLE BEACH | 0.75% |
| NORWAY | 0.75% |
| OLAR | 0.75% |
| PACOLET | 0.75% |
| PAGELAND | 0.75% |
| PAMPLICO | 0.75% |
| PATRICK | 0.75% |
| PAWLEYS ISLAND | 0.75% |
| PELION | 0.75% |
| PENDLETON | 0.75% |
| PERRY | 0.75% |
| PICKENS | 0.75% |
| PINE RIDGE | 0.75% |
| POMARIA | 0.75% |
| PORT ROYAL | 0.75% |
| PROSPERITY | 0.75% |
| RAVENEL | 0.75% |
| REEVESVILLE | 0.75% |
| REIDVILLE | 0.75% |
| RIDGE SPRING | 0.75% |
| RIDGELAND | 0.75% |
| RIDGEVILLE | 0.75% |
| RIDGEWAY | 0.75% |
| ROCK HILL | 0.75% |
| ROWESVILLE | 0.75% |
| RUBY | 0.75% |
| SALEM | 0.75% |
| SALLEY | 0.75% |
| SALUDA | 0.75% |
| SCRANTON | 0.75% |
| SEABROOK ISLAND | 0.75% |
| SELLERS | 0.75% |
| SENECA | 0.75% |
| SIMPSONVILLE | 0.75% |
| SIX MILE | 0.75% |
| SMOAKS | 0.75% |
| SNELLING | 0.75% |
| SOCIETY HILL | 0.75% |
| SOUTH CONGAREE | 0.75% |
| SPARTANBURG | 0.75% |
| SPRINGDALE | 0.75% |
| SPRINGFIELD | 0.75% |

Retaliation—December 2022

| Life, Accident, and Health Worksheet | |
|---|-----------------|
| NAME OF MUNICIPALITY | TAX RATE |
| ST GEORGE | 0.75% |
| ST MATTHEWS | 0.75% |
| ST. STEPHEN | 0.75% |
| SULLIVANS ISLAND | 0.75% |
| SUMMERTON | 0.75% |
| SUMTER | 0.75% |
| SURFSIDE BEACH | 0.75% |
| SWANSEA | 0.75% |
| TATUM | 0.75% |
| TEGA CAY | 0.75% |
| TIMMONSVILLE | 0.75% |
| TRAVELERS REST | 0.75% |
| TRENTON | 0.75% |
| TROY | 0.75% |
| TURBEVILLE | 0.75% |
| ULMER | 0.75% |
| UNION | 0.75% |
| VARNVILLE | 0.75% |
| WAGENER | 0.75% |
| WALHALLA | 0.75% |
| WALTERBORO | 0.75% |
| WARE SHOALS | 0.75% |
| WATERLOO | 0.75% |
| WELLFORD | 0.75% |
| WEST COLUMBIA | 0.75% |
| WEST PELZER | 0.75% |
| WESTMINSTER | 0.75% |
| WHITMIRE | 0.75% |
| WILLIAMSTON | 0.75% |
| WILLISTON | 0.75% |
| WINNSBORO | 0.75% |
| WOODRUFF | 0.75% |
| YORK | 0.75% |

SOUTH DAKOTA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

S.D. Codified Laws §§ 10-44-1; 58-11-1; S.D. Admin. R. 20:06:16:02; Bulletin 84-2

Gross direct premiums, not including premiums for reinsurance, less premium refunds and dividends. “Premium” includes any assessment, service or similar fee. Taxes on considerations for annuity contracts are due the year paid by the policyholder to the company.

Tax Rate:

§ 10-44-2

2.5% for the first \$100,000 in annual life insurance premiums and 0.08% on annual premium portions exceeding \$100,000 per policy; for small face amount life insurance (\$7,000 or less), a rate of 1.25%.

1.25% for annuity considerations for the first \$500,000 of annual consideration and 0.08% for annual consideration portions exceeding \$500,000 per annuity contract.

2.5% for health insurance and property/casualty

\$14 for each workers’ compensation policy

1% for court appearance bonds (bail bonds)

§ 10-44-9

Additional 0.5% premium tax on fire insurance premiums

§ 58-6A-5

Risk retention group taxed the same as a foreign admitted insurer.

Other Taxes and Assessments:

§ 58-3-3.1 Annual Examination Assessment

All insurers shall pay an annual examination assessment fee of \$550 by Mar. 1 with the premium tax return.

Other Taxes and Assessments (cont.)

§ 58-4A-14 Insurance Fraud Prevention Unit

Assessment of \$250 for each insurer licensed in the state to cover costs of fraud unit. The Division of Insurance will make an assessment when the fund drops below \$100,000. There was an assessment in 2022.

§ 62-4-34.7 Subsequent Injury Fund

Workers' compensation insurers are assessed 4% of their workers' compensation losses paid. The Division of Insurance will make an assessment when the fund drops below \$200,000. There was not an assessment in 2022.

§§ 58-29A-76; 58-29A-78 Property and Casualty Guaranty Association

May assess member insurers no more than 2% net direct written premiums for preceding year on kinds of insurance in the account, plus an administrative assessment not to exceed \$500 per year.

§ 58-29C-52 Life and Health Guaranty Association

May assess member insurers pro rata or nonpro rata for administrative expenses. If pro rata, credit against future insolvency assessments; if nonpro rata, may not exceed \$300. May also assess maximum of 2% average premiums during three calendar years preceding the year in which the insurer became insolvent.

§ 10-44-8 Preemption

Insurers paying premium tax are exempt from all other state and local taxes except on real and personal property and sales and use taxes.

Exclusions and Deductions:

§§ 58-37A-24; 10-44-3 Fraternal Benefit Societies and Farm Mutual Insurers

Fraternals and farm mutuals are exempt from premium tax.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

South Dakota will not collect premium taxes on federally reinsured crop insurance because of the 10th Circuit court ruling.

Credits:

→ §§ 10-44-4; 10-44-5 Principal or Regional Home Office

If the company's principal office or regional home office is located in South Dakota over half of the year and certain functions take place in South Dakota, they may deduct 50% of the premium tax plus an amount equal to the ad valorem taxes on property used as such office, up to another 20% of the tax due.

§ 58-29C-56 Life and Health Guaranty Association

If assessment is under \$500, all offset is taken in the first year. If over \$500, may offset assessments at a rate of 20% per year for each of the five calendar years following the year in which the assessment was paid. Total offsets for the year may not exceed \$2 million. If they do, the excess will be apportioned among insurers to be carried forward to a subsequent year in which the annual limitation has not been exceeded.

→ §§ 13-65-1 to 13-65-12 Partners in Education Tax Credit Program

A company may claim a tax credit equaling up to 100% of the total contributions made to a scholarship granting organization. Qualifying school includes any tribally controlled school on a federally recognized Indian reservation within the boundaries of South Dakota. This credit may not be claimed against workers' compensation taxes or tax levied on fire insurance premiums. Total credits for the year may not exceed \$2 million (\$3.5 million in fiscal year 2023 - effective 7/1/2022).

A company may claim a premium tax credit as provided in § 13-65-2 to reduce quarterly payments required by § 10-44-2. Claims for tax credits on quarterly payments shall be reported to the Division of Insurance on a form prescribed by the director. Pursuant to § 13-65-8, a company must report the amount and specify, at the time of contribution, the quarter to which the premium tax credit shall be applied. No tax credit claimed under this section may reduce a quarterly payment otherwise required by § 10-44-2 to an amount less than zero. A company shall report all reductions in quarterly payments pursuant to this section on its annual premium tax return.

Payment Due Dates:

§ 10-44-2

Payment due by Mar. 1. If last year's premium tax exceeded \$5,000, pay quarterly estimates by April 30, July 31, Oct. 31, and Jan. 31. Each estimate shall equal 25% of last year's tax liability.

Penalties:

§ 10-44-16

All taxes and installments not paid when due are subject to a penalty of 1.5% per month.

Extensions:

§§ 10-44-2; 58-6-75

May obtain extension for filing annual statement for good cause; premium tax return to be filed at same time as annual statement.

Retaliatory Law:

§§ 58-6-70 to 58-6-73

If any other state imposes on South Dakota insurers or their agents taxes, licenses or fees, in the aggregate, or fines, penalties, deposit requirements or other material obligations which are in excess of those South Dakota charges similar insurers or agents, retaliation will occur. Charges imposed by political subdivisions are considered imposed by the state.

This provision does not apply to that portion of a life insurance policy's annual premiums exceeding \$100,000 and to that portion of the annual consideration on an annuity contract exceeding \$500,000.

This provision shall not apply to ad valorem taxes on property or to special purpose obligations or assessments imposed by another state in connection with particular kinds of insurance other than property insurance; except that deductions allowed on account of property taxes paid shall be taken into account by the department.

FEES

Fees are aggregated with taxes on the premium tax return for the purposes of retaliation. If no fee is listed for a particular form or procedure, but another state would retaliate, then a retaliatory fee will be charged insurers from that jurisdiction.

Insurers' Fees:

§§ 58-2-29; 58-37A-26

Certificate of insurer:

| | |
|---|-------|
| Application for original certificate of authority: | |
| Filing application for certificate of authority, articles of incorporation, | |
| and other charter documents, bylaws, financial statements, examination reports, | |
| power of attorney to the director, and all other documents and filings required | |
| in connection with such application..... | \$500 |
| Issuance of original certificate of authority | 25 |
| Annual renewal of certificate of authority | 25 |
| Reinstatement of certificate of authority..... | 25 |
| Amendment or reissuance of certificate of authority..... | 25 |
| Annual audit..... | *500 |

**This fee to be reduced by the total dollar amount of premium taxes remitted in each calendar year. The fee is waived for all licensed insurers remitting \$500 or more in premium taxes in a calendar year.*

Insurers' Fees (cont.)

§§ 58-2-29; 58-37A-26 (cont.)

Certificate of insurer (cont.)

| | |
|---|------|
| Filing amendment of articles of incorporation, domestic and foreign insurers, exclusive of fees required to be paid to the secretary of state by a domestic corporation | \$10 |
| Filing bylaws or amendments thereto | 5 |

Annual statement:

| | |
|--|-----|
| Insurer, other than as part of application for original certificate of authority | 25 |
| Filing annual statement of farm mutuals..... | 5 |
| Fraternal receiving more than \$200,000 in premiums..... | 500 |
| Fraternal receiving less than \$200,000 in premiums..... | 100 |

Rating bureau:

| | |
|------------------------|----|
| Original license | 25 |
| Annual renewal | 35 |

Farm mutuals:

| | |
|--|----|
| Application for original certificate of authority: | |
| Filing application for certificate of authority, articles of incorporation, and all other documents and filings required in connection with such application, and for issuance of original certificate of authority, if issued | 25 |
| Annual renewal of certificate of authority | 10 |

Miscellaneous services:

| | |
|---|------|
| Copy of any paper filed in the insurance division, for which another price is not set by statute, each page..... | 0.75 |
| Director's sworn certificate, except when on certificates of authority or licenses | 10 |
| Receiving and forwarding copy of summons or other process served upon the director, as process agent of an insurer or nonresident agent | 10 |

Continuing education:

| | |
|-----------------------|----|
| Course approval | 25 |
|-----------------------|----|

Producers' appointments:

| | |
|--|----|
| Resident producers: | |
| Original appointment of producer, each insurer | 10 |
| Annual renewal of appointment, each insurer | 10 |
| Nonresident producers: | |
| Appointments, each insurer | 20 |
| Annual renewal of appointments, each insurer | 20 |
| Resident corporation or partnership license: | |
| Appointment, each insurer | 10 |
| Annual renewal of appointment, each insurer | 10 |
| Nonresident corporation or partnership license: | |
| Appointment, each insurer | 20 |
| Annual renewal of appointment, each insurer | 20 |

Insurers' Fees (cont.)

§§ 58-2-29; 58-37A-26 (cont.)

Insurance vending machine:

License, each machine, each year \$20

Producer Licensing Fees:

§§ 58-2-29; 58-30-121; 58-30-211

Resident insurance producers and solicitors license fees:

Original license, regardless of which line/lines 25

Temporary license..... 10

Continuing education fund:

Resident producers pay for each 24-month period/last day of birth month..... 20

Nonresident producer license:

Original license 30

Biennial renewal 50

Examination:

License, each examination and each time taken 10

Limited license as resident producer:

Travel accident..... 25

Limited line credit insurance 25

Resident corporation or partnership license:

Original license 25

Nonresident corporation or partnership license:

Original license 30

Surplus line producer's license:

Application for original license 50

Biennial renewal of license 100

DEPOSITS

§§ 58-6-34; 58-7-1 Domestic Insurers, excluding Title

Deposit \$200,000 in cash or securities. A domestic property and casualty or health insurer shall deposit an amount not less than fifty percent of the required unearned premium reserves on their outstanding policies. Domestic life insurers shall deposit an amount not less than the required reserves on their outstanding policies, including annuity and supplementary contracts, but excluding premium notes, policy loans, and other policy liens referred to in § 58-26-1(3) and the net amount of uncollected and deferred premiums and annuity considerations.

→ §§ 58-6-34 to 58-6-36; 58-6-70 Foreign Insurers

Will accept the deposit held in the domiciliary state but it is Retaliatory.

§ 58-6-36 Title Insurers

Deposit \$100,000 in cash or securities. Domestic title insurers licensed before July 1, 1966, shall deposit \$25,000 plus additional amounts, but no more than \$100,000.

CONTACT PERSON

Premium Tax

Patsy Madsen: (605) 773-3563; patsy.madsen@state.sd.us

Company Licensure

Charlene Keller: (605) 773-3563; charlene.squireskeller@state.sd.us

Producer Licensing

Penney Wagoner: (605) 773-3513; penney.wagoner@state.sd.us

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

TENNESSEE

→ **Arrow indicates an update for 2022**

Premium Tax Filings Only:

OPT*ins* is the required method for submitting quarterly and annual premium taxes and fees. The Tennessee Insurance Division requires all insurance companies to use OPT*ins* to submit Tennessee premium tax returns and remit payments electronically.

PREMIUM TAX

Premium Tax Base:

Tenn. Code Ann. § 56-4-204

Gross premiums, including membership fees, excluding returned premiums, without deduction of dividends.

§ 56-4-220

There will be no tax on life insurance or annuity contracts issued in connection with any qualified retirement plan. It is department policy not to tax any annuity considerations.

§ 56-14-113 Surplus lines

Gross premiums, including membership fees, assessments, dues, or any other consideration for insurance, excluding returned premiums.

Tax Rate:

→ § 56-4-205

1.75% life insurers

2.5% other than life

Minimum tax due is \$150.

Effective 7/1/22, travel insurer shall pay the premium tax paid by an individual primary policyholder who is a resident of the state.

§ 56-29-119

Domestic hospital and medical service corporations taxed same as health insurer.

§ 56-32-124

All health maintenance organizations doing business in this state shall pay tax on the gross amount of all dollars collected from an enrollee or on an enrollee's behalf in the amount of 6%.

Tax Rate (cont.)

§ 56-45-104

Risk retention group taxed the same as a foreign admitted insurer.

§ 56-14-113 Surplus lines

5% on gross premiums

[Note: Please see the Surplus Lines chart for further information.]

§ 56-2-411 Citizens Procuring Insurance with Foreign Companies—Liability for Taxes.

Citizens procuring policies from unauthorized companies are taxed the same as surplus lines insurance.

§ 56-45-110 Risk Purchasing Group

Risk purchasing group taxed at 2.5% for business placed with an admitted insurer and 5% for business placed with a surplus lines insurer.

§ 56-13-114 Captive Insurers

Direct written premiums:

- 0.4% on the first \$20 million
- 0.3% on each dollar thereafter

Reinsurance:

- 0.225% on the first \$20 million of assumed reinsurance premiums
- 0.150% on the next \$20 million
- 0.050% on the next \$20 million
- 0.025% on each dollar thereafter

The annual minimum aggregate premium tax on captives shall be \$5,000, except for protected cell captive companies with more than 10 cells, which is \$10,000. The annual maximum aggregate tax shall be \$100,000, except for protected cell captive companies, which is \$100,000 plus \$5,000 multiplied by the number of cells over 10.

Other Taxes and Assessments:

§ 56-4-208 Fire Marshal Tax

Additional 0.75% tax on portion of premiums allocable to fire insurance risk for executing fire marshal law.

§ 67-2-101 Stocks and Bonds Income Tax

For information contact Tennessee Department of Revenue.

Other Taxes and Assessments (cont.)

§ 56-4-206 Workers' Compensation

Pay tax of 4% on gross premiums, plus 0.4% surcharge for administration of occupational safety and health act. Surcharge does not apply to employer with less than 10 employees unless in manufacturing or construction industry.

§ 56-12-107 Property and Casualty Guaranty Association

May assess member insurers in any one year no more than 2% net direct written premium for kinds of insurance in the account.

§ 56-12-208 Life and Health Guaranty Association

May assess member insurers pro rata or non-pro rata for administrative expenses. If pro rata, must credit against future insolvency assessments; if non-pro rata, may not exceed \$150 per year. For insolvency expenses, may also assess member insurers no more than 2% average premiums for last 3 years for kinds of insurance in account with deficiency.

§§ 56-4-203; 56-4-213 Preemption

No county or city may impose a premium tax. Payment of premium tax is in lieu of all other taxes except ad valorem taxes upon real and personal property and fees required by law.

Exclusions and Deductions:

§§ 56-4-202; 56-25-1504 Fraternal Benefit Societies

Fraternal are exempt from payment of premium taxes.

§ 67-5-1209

“Pure captive insurance companies” are exempt from property tax on corporate property and capitol stock.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

The state of Tennessee will not compel the payment of premium taxes on federally reinsured crop insurance because of the 10th Circuit Court ruling.

Credits:

§ 56-4-210 Domestic Investments

Companies other than life and health shall be entitled to a credit against the tax for investments in Tennessee securities. Formula contained in statute.

Credits (cont.)

§§ 56-12-212; 56-12-208 Life and Health Guaranty Association

May offset assessments at the lesser of 10% per year for each of the 10 years following the year in which the assessment was paid, or at a rate of 0.10% of all premiums written in this state by the insurer for each calendar year until recovery of the assessment is made. The assessment for administrative expenses may not be used as an offset against premium, franchise, excise or income tax liabilities.

§ 56-12-115 Property and Casualty Guaranty Association

Member insurers may be allowed a credit for up to 25% of the net premium tax due in any one calendar year until all assessments paid have been offset against premium tax.

Payment Due Dates:

§§ 56-4-205; 56-4-212

Premium tax quarterly payments are due each June 1, Aug. 20, Dec. 1, and Mar. 1. Each payment shall be 80% of the amount finally shown to be due for the quarter or 25% of the prior year's total tax.

Penalties:

§ 56-4-216

For failure to file return: 5% for first month or fractional part thereof, an additional 5% for second month or fractional part thereof, plus 0.5% per month thereafter. The maximum penalty is \$10,000 for any company not more than three days late. In addition, delinquencies bear interest at rate of 10% per year. Failure to pay tax and interest more than 60 days after they are due will result in revocation of certificate of authority.

Extensions:

§ 56-4-216

May grant extension of up to 60 days. Tax will still accrue interest. Request must be made before the due date of the applicable tax period.

Retaliatory Law:

§ 56-4-218

When taxes, fees, fines, penalties, licenses, deposit requirements, etc., imposed on Tennessee companies by other states are higher in the aggregate than those Tennessee would charge similar insurers, retaliation will occur. Any license, tax, etc., imposed by a political subdivision is considered imposed by the state.

FEES

All fees considered in the aggregate on the premium tax return, except for the certificate of authority charge; retaliation for which occurs when the license is obtained.

Insurers' Fees:

§§ 56-4-101; 56-25-603; 56-32-119

Certificate of authority:

| | |
|---|-------|
| Application for admission..... | \$675 |
| Certificate of authority..... | 440 |
| Amendments to the certificate of authority..... | 90 |

Annual statement:

| | |
|-----------------------|-----|
| Annual statement..... | 515 |
|-----------------------|-----|

Miscellaneous services:

| | |
|---------------------------------------|-------------------|
| Seal of office, with certificate..... | 7 |
| Copies..... | 50 cents per page |

Fraternal certificate of authority:

| | |
|---------------------|----|
| Annual renewal..... | 10 |
|---------------------|----|

Surplus lines insurer:

| | |
|--|-----|
| Annual review for determination of continuing eligibility of surplus lines insurers..... | 270 |
|--|-----|

HMO:

| | |
|--|-------|
| Application for certificate of authority..... | 1,300 |
| Amendment to organizational documents..... | 60 |
| Annual report..... | 195 |
| Annual renewal fee for certificate of authority..... | 445 |

Producer Licensing Fees:

§§ 56-6-121; 56-14-104; 56-35-110

Agents:

| | |
|---|----|
| Insurance agents' application filing fee..... | 50 |
| Agents license renewal fee (biennial)..... | 60 |

Surplus lines agent:

| | |
|---------------|-----|
| Biennial..... | 120 |
|---------------|-----|

Title insurance agency:

| | |
|---|-----|
| Application for certificate of authority..... | 110 |
|---|-----|

Limited lines representatives:

| | |
|-----------------------------|----|
| Application filing fee..... | 50 |
| Renewal fee (biennial)..... | 30 |

Producer Licensing Fees (cont.)

§§ 56-6-121; 56-14-104; 56-35-110 (cont.)

Agents appointments:

| | |
|--|------|
| Appointment fee (paid by company only) | \$15 |
| Termination fee (paid by company only)..... | 15 |

Travel insurance supervising entity:

| | |
|---------------------------|-----|
| Initial application | 750 |
| Renewal application..... | 750 |

Paid by individual applicant or company.

DEPOSITS

§§ 56-2-104; 56-15-105; 56-35-112 Domestic Insurers

| Per Class Admitted | Deposit |
|------------------------|-----------|
| Life (any/all classes) | \$200,000 |
| Property | 100,000 |
| Casualty | 100,000 |
| Surety | 200,000 |
| Title | 100,000 |

Foreign insurers may satisfy the requirement with a certificate that a deposit has been made in the domiciliary state.

→ **CONTACT PERSON**

- Captive Insurance Section
Allison May: (615) 253-1178; allison.w.may@tn.gov
- Premium Tax
Kim Blaylock: (615) 532-7567; kim.blaylock@tn.gov
- Agents' Licensing Fees
Kimberly Biggs: (615) 741-2693; kimberly.biggs@tn.gov
- L/H Guaranty Association
Ben Whitehouse: (615) 242-8758; bwhitehouse@tnlifega.org
- P/C Guaranty Association
Kerry Nations: (615) 917-2106; knations@tiga.net
Lorrie Brouse, Exec. Secretary: lbrouse@tiga.net

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TEXAS

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Tex. Ins. Code (TIC) Ch. 221; 34 Tex. Admin. Code (TAC) § 3.831 Property and Casualty Insurance Premium Tax

Gross premiums are the total gross amounts of premiums, membership fees, assessments, dues, revenues and any other considerations for the taxable year for insurance written on each and every kind of property or risk located in the state, without regard to any method used for reporting premiums to the National Association of Insurance Commissioners.

Gross premiums exclude: returned premiums; dividends paid to policyholders; premiums received from other licensed companies for reinsurance, including premium on a stop-loss or excess-loss insurance policy issued to a health maintenance organization; premium finance charges clearly identified in a premium note or other evidence of premium payable that are separately stated to the policyholder; and premiums or service fees retained by a bail bond surety licensed under Chapter 1704, Occupations Code, or by a property and casualty agent in connection with the execution or delivery of a bail bond as defined by Section 1704.001, Occupations Code.

Form 25-205—Computation of Non-Taxable Insurance Premiums requires that any premium entered as non-taxable must be included in gross premium prior to deducting the amounts to arrive at taxable premium.

An insurer is not entitled to deduct premiums paid for reinsurance from gross premium.

TIC Ch. 222; 34 TAC § 3.831 Life, Health, and Accident Insurance Premium Tax and Health Maintenance Organizations

An insurer or health maintenance organization must include the total gross amount of all premiums, including membership fees, assessments, dues, revenues and other considerations received during the taxable year, on each and every kind of life, accident, or health insurance policy or contract, or the gross amount of revenues for the issuance of health maintenance organization certificates or contracts that cover risks on individuals or groups located in the state of Texas, without regard to any method used for reporting premiums or revenues to the National Association of Insurance Commissioners.

(cont.)

Premium Tax Base (cont.)

TIC Ch. 222; 34 TAC § 3.831 Life, Health, and Accident Insurance Premium Tax and Health Maintenance Organizations (cont.)

Gross premiums exclude: returned premiums or revenues; dividends applied to purchase paid up additions to life insurance or to shorten the endowment or premium payment period for life insurance policies; premiums received from another licensed insurance carrier for reinsurance; a stop-loss or excess-loss insurance policy issued to a health maintenance organization; premium finance charges that are clearly identified in a premium note or other evidence of premium payable and that are separately stated to the policyholder (i.e. invoice, billing, contract); premiums or revenues received from the Treasury of the United States for insurance or benefits contracted for by the federal government in accordance with or in furtherance of Title XVIII of the Social Security Act (42 U.S.C. § 1395c, et seq.) and its subsequent amendments, including premiums received from the U.S. Treasury for Medicare insurance and premiums for Medicare Advantage (MA) Parts C and D, administered by the Center for Medicare and Medicaid Services (CMS); and premiums paid on group health, accident and life insurance policies or health maintenance organization coverage in which the group covered has established a single non-profit trust to provide coverage primarily for employees of a municipality, county, or hospital district in this state or a county or municipal hospital, without regard to whether the employees are employees of the county or municipality or another entity that operates the hospital on behalf of the county or municipality.

Form 25-205 – Computation of Non-Taxable Insurance Premiums requires that any premium entered as non-taxable must be included in gross premium prior to deducting the amounts to arrive at taxable premium.

An insurer or health maintenance organization is not entitled to reduce gross premiums by the amount of premiums paid for reinsurance.

Annuity considerations are not subject to premium tax.

TIC Ch. 223; 34 TAC § 3.831 Title Insurance Premium Tax

Gross premiums are the total amount of premiums received for the taxable year on title insurance written on property located in this state whether paid to a title insurance company or retained by a title insurance agent. The state facilitates the collection of the premium tax on the premiums retained by a title insurance agent by establishing the division of the premiums between the title insurer and the title agent so that the insurer receives the premium tax due on the agent's portion of the premiums and remits it to the state. Until changed by the commissioner of insurance, title insurance companies receive 15% of the premiums on business placed by title agents, while agents retain 85%.

Title insurance companies are not entitled to a deduction for premiums paid for reinsurance.

Premium Tax Base (cont.)

TIC Ch. 224 Reciprocal and Interinsurance Exchange Premium Tax

Tax is imposed on reciprocals and interinsurance exchanges under TIC Ch. 224 unless the entity files an election under TIC § 224.003 to be taxed at the rate under TIC Ch. 221. Application of taxes, other than the rate, is the same as that applied to insurance companies under TIC Ch. 221.

Tax Rate:

TIC § 221.002 Property and Casualty Insurance Companies

1.6%

TIC § 222.003 Life, Health and Accident Insurance Companies and Health Maintenance Organizations (HMOs)

1.75%

For the first \$450,000 of gross premiums on life insurance and gross revenues collected by a HMO, the rate is 0.875% and on the remaining taxable gross premiums and revenues the rate is 1.75%.

TIC § 223.003 Title Insurance Companies

1.35%

TIC §§ 224.002; 224.003 Reciprocal or Interinsurance Exchanges

1.7%

Reciprocal or interinsurance exchanges may elect to be taxed under TIC Ch. 221 at 1.6%.

TIC § 2201.155

Risk retention groups are taxed on the same basis as admitted insurers.

Other Taxes and Assessments:

→ TIC § 252.002 Maintenance Tax on Fire and Allied Lines Insurance

The Texas Department of Insurance may annually assess gross premiums on fire, lightning, tornado, inland marine, windstorm, hail, etc. at a rate not to exceed 1.25% to cover expenses of regulating these types of insurance. The rate for 2022, covering 2021 premium was 0.251%. The proposed rate for 2023, covering 2022 is 0.222%. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter. Payments are made to the Texas Comptroller's Office.

Other Taxes and Assessments (cont.)

→ TIC § 253.002 Maintenance Tax on Casualty Insurance and Fidelity, Guaranty and Surety Bond Insurance

The Texas Department of Insurance may annually assess casualty and fidelity gross premiums at a rate not to exceed 0.4% to cover expenses of regulating casualty and fidelity insurance. The rate for 2022, covering 2021 premiums was 0.044%. The proposed rate for 2023, covering 2022 is 0.027%. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter. Payments are made to the Texas Comptroller's Office.

TIC § 254.002 Maintenance Tax on Motor Vehicle Insurance

The Texas Department of Insurance may annually assess gross premiums at a rate not to exceed 0.2% for expenses of regulating motor vehicle insurance. The rate for 2022, covering 2021 premium was 0.042%. The proposed rate for 2023, covering 2022 is 0.042%. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter. Payments are made to the Texas Comptroller's Office.

→ TIC § 255.002; Tex. Lab. Code § 407A.302 Maintenance Tax on Workers' Compensation Insurance for the Texas Department of Insurance

The Texas Department of Insurance may annually assess workers' compensation gross premiums at a rate not to exceed 0.6% for the purpose of covering expenses of the department in regulating workers' compensation insurance. The rate for 2022, covering 2021 premium was 0.070%. The proposed rate for 2023, covering 2022 is 0.083%. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter.

Insurance companies pay this tax to the Texas Comptroller's Office based on the correctly reported gross premium written in Texas, including the modified annual premium before application of a deductible premium credit.

Self-insurance groups pay this tax to the Texas Comptroller's Office based on the group's retention, excluding premium collected by the group for excess insurance.

→ Tex. Lab. Code §§ 403.002; 403.003; 407A.301; 407.103 Maintenance Taxes on Worker's Compensation Insurance for Division of Workers' Compensation within the Texas Department of Insurance and Office of Injured Employee Counsel (DWC/OIEC)

Insurance companies, self-insurance groups and Certified Self-Insurers (CSIs) pay a tax of no more than 2% of correctly reported gross workers' compensation premiums as set by the Texas Department of Insurance for the purpose of funding the division of workers' compensation. The rate for 2022, covering 2021 premium was 2.0%. The proposed rate for 2023, covering 2022 is 2.0%.

Insurance companies pay this tax to the Texas Comptroller's Office based on the correctly reported gross premium written in Texas, including the modified annual premium before application of a deductible premium credit.

(cont.)

Other Taxes and Assessments (cont.)

- Tex. Lab. Code §§ 403.002; 403.003; 407A.301; 407.103 Maintenance Taxes on Worker's Compensation Insurance for Division of Workers' Compensation within the Texas Department of Insurance and Office of Injured Employee Counsel (DWC/OIEC) (cont.)

Self-insurance groups pay this tax to the Texas Comptroller's Office based on the group's retention, excluding premium collected by the group for excess insurance.

CSIs regulated by the Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) Self Insurance Regulation (SIR) program pay all taxes and fees directly to the Department.

- Tex. Lab. Code § 405.003 Maintenance Tax on Workers' Compensation Insurance for Workers' Compensation Research and Evaluation Group

The tax rate set by the Texas Department of Insurance may not exceed 0.1% of the applicable tax base for insurance companies, self-insurance groups and CSIs. The rate for 2022, covering 2021 tax base was 0.033%. The proposed rate for 2023, covering 2022 tax base is 0.027%.

Insurance companies pay this tax to the Texas Comptroller's Office based on the correctly reported gross premium written in Texas, including the modified annual premium before application of a deductible premium credit.

Self-insurance groups pay this tax to the Texas Comptroller's Office based on the group's retention, excluding premium collected by the group for excess insurance.

CSIs regulated by the Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) Self Insurance Regulation (SIR) program pay all taxes and fees directly to the Department.

TIC § 256.002 Maintenance Tax on Aircraft Policies

The Texas Department of Insurance may annually assess aircraft insurance gross premiums at a rate not to exceed 0.4% to cover expenses of regulating aircraft insurance. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter. There was no rate set in 2022, applicable to the 2021 tax base, and none is expected in 2023.

Other Taxes and Assessments (cont.)

TIC § 257.002 Maintenance Tax on Life and Annuities and Accident and Health Policies including policies written by stock or mutual insurance companies, local mutual aid associations, statewide mutual assessment companies, group hospital service corporations, managed care organizations, and stipulated premium companies.

The Texas Department of Insurance may annually assess life, health, and accident gross premiums at a rate not to exceed 0.04%. The purpose of the assessment is to cover the expenses of the department in regulating life, health, and accident insurance companies. The rate for 2022, covering 2021 premiums was 0.04%. The proposed rate for 2023, covering 2022 is 0.04%. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter. Payments are made to the Texas Comptroller's Office.

Include amounts applied to purchase annuity contracts during the year, regardless of whether morbidity or mortality rates apply to these amounts. To the degree that deposit-type accounts represent amounts deposited to accumulate interest or investment earnings, these deposits are not subject to maintenance tax until such time as the funds are applied to purchase annuity contracts.

TIC § 258.003 Maintenance Tax on HMOs

The Texas Department of Insurance annually may assess no more than \$2 per enrollee for purposes of covering expenses of the department in regulating HMOs. The rate for 2022, covering 2021 premiums, was \$0.29 per enrollee for single health care service plans, \$0.87 per enrollee for basic health care service, and \$0.29 per enrollee for limited health care service plans. The proposed rate for 2023, covering 2022 premiums, is \$0.29 per enrollee for single health care service plans, \$0.87 per enrollee for basic health care service, and \$0.29 per enrollee for limited health care service plans. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter. Payments are made to the Texas Comptroller's Office.

The maintenance tax is based on the yearly average taxable HMO enrollees covered by basic, single or limited health service certificates or contracts. From total enrollees each quarter, subtract the enrollees for whom exempt revenues were reported on the Computation of Non-Taxable Premiums (Form 25-205) to arrive at taxable enrollees. Add the taxable enrollees for the four quarters and divide the result by four to determine the yearly average.

Other Taxes and Assessments (cont.)

→ TIC § 259.003 Maintenance Tax on Third Party Administrators (TPAs)

The Texas Department of Insurance may annually assess a maintenance tax on the administrative or service fees of third-party administrators at a rate not to exceed 1% for the purpose of covering expenses of the department in regulating third party administrators. Fees received for the administration of annuities, life benefits, health benefits, pharmacy benefits or workers' compensation benefits are subject to the assessment. The rate for 2022, covering 2021 administrative or service fees was 0.011%. The proposed rate for 2023, covering 2022 is 0.023%. Payments are made to the Texas Comptroller's Office.

Insurance companies are required to report the total amount of administrative or service fees received less any administrative or service fees received for qualified plans under the Employee Retirement Income Security Act of 1974 (ERISA) and less fees received from the administration of plans under TIC Ch. 1551, 1575, 1576, 1579 and 1601. Administrative or service fees include all consideration, fees, assessments, payments, reimbursements, dues, and any other compensation, monetary or otherwise, received for services as an administrator during the taxable year.

TIC § 261.003 Maintenance Tax on the Texas Insurance Exchange

TIC Ch. 2204 allows for the creation of the Texas Insurance Exchange to provide a facility for underwriting reinsurance of any kind of insurance; direct insurance of any kind of risk located entirely outside the United States; direct insurance of any kind of risk that is located in another state and that qualifies for placement under the excess and surplus lines requirements of the jurisdiction in which the risk is located; and a risk located in this state that has been submitted to and certified as rejected by a committee representing at least three and not more than seven insurers authorized to engage in the business of insurance in this state and subject to conditions imposed by rules adopted by the commissioner.

The Texas Department of Insurance may annually assess gross premiums paid through the Exchange on all classes of insurance specified under TIC Ch. 2204 at a rate not to exceed 1%. The exchange has not been created at this time, so no rate has been set for 2022 and none is expected in 2023.

Other Taxes and Assessments (cont.)

→ TIC § 271.005 Title Insurance Maintenance Fees

The Texas Department of Insurance may annually assess title insurance premiums at a rate not to exceed 1% to cover expenses of regulating title insurance. This tax is in addition to other taxes imposed under the Insurance Code that are not in conflict with this chapter. The rate for 2022, covering 2021 premiums was 0.044%. The proposed rate for 2023, covering 2022 is 0.030%. Payments are made to the Texas Comptroller's Office.

Title insurance companies must report and pay the maintenance fee due on all title insurance premiums written, including the maintenance fee due on the agent's portion of premium. The maintenance fee is included in the division of premiums and may not be separately charged to the title insurance agent.

Until changed by the commissioner of insurance, title insurance companies receive 15% of the premiums on business placed by title agents, while agents retain 85%.

→ TIC Art. 5.01(e); Texas Transportation Code, § 1006.153 (Fee Imposed on Insurer); 1006.152 (Refunds); 43 TAC § 57.48 (Motor Vehicle Years of Insurance Calculations)

Insurance companies pay the Motor Vehicle Crime Prevention Authority (MVCPA) fee based on the motor vehicle years, defined as the total number of motor vehicles covered under an insurer's policies for the year or portion of the year at the time of policy issuance. Insurance companies may pass this fee through to policyholders.

The fee is due on Aug. 1 for policies issued from Jan. through June, using Comptroller's Form 25-106, and on Mar. 1 of the following year for policies issued from July through Dec. of the previous year, using Comptroller's Form 25-107. Effective September 1, 2019, the fee increased from \$2 to \$4 per motor vehicle year. The fee applies to all motor vehicle insurance policies delivered, issued for delivery, or renewed by the insurer. An insurer authorized by the Texas Department of Insurance to write motor vehicle insurance must file a tax report even if it did not issue any motor vehicle policies.

The Comptroller's office collects this fee on behalf of the MVCPA. Insurance companies claiming an overpayment must file a refund request with the MVCPA within four years from the date an assessment was made. The MVCPA provides information to the Comptroller's office regarding disposition of the refund request, and if granted the overpayment is refunded.

Legislation passed in 2021 assessed penalty and interest for delinquent payments. *See* the Penalty section on page 14.

TIC §§ 401.151; 401.152 Expenses of Examinations

Insurers are assessed for the expenses of examinations. Assessments take into consideration premium receipts and admitted assets, and expenses allocable to specific examinations. In computing the assessment, the Texas Department of Insurance may not consider health insurers premiums for insurance contracted for by state or federal governmental entities to provide welfare benefits to designated welfare recipients or contracted for in accordance with or in furtherance of Title 2, Human Resources Code, or the federal Social Security Act (42 U.S.C. § 301 et seq.).

Other Taxes and Assessments (cont.)

TIC §§ 501.201 to 501.205 Office of Public Insurance Counsel (OPIC)

To cover the costs of operating the Office of Public Insurance Counsel, each property and casualty insurer pays an annual assessment of \$0.057 per policy in force at the end of the calendar year. County mutual insurance companies are subject to the office of public insurance counsel assessment.

Life, accident and health insurers pay an annual assessment of \$0.057 for each new individual policy written and/or for each new certificate of coverage under a group policy written for delivery and placed in force with the initial premium paid in full during the calendar year.

Health maintenance organizations pay an annual assessment of \$0.057 for each new individual policy and/or certificate of coverage under a group policy written for delivery and placed in force with the initial premium paid in full during the calendar year.

Title insurers pay an annual assessment of \$0.057 for each owner and/or mortgage policy written during the calendar year on property located in Texas for which the full basic premium is charged.

Policies written for the Federal Employee Health Benefits, Enhanced Dental and Enhanced Vision programs are not subject to this assessment.

All OPIC assessments are paid to the Texas Comptroller's Office.

Tex. Lab. Code § 403.007 Subsequent Injury Fund

If a compensable death occurs and there is no legal beneficiary, the insurer shall pay to the Division of Workers' Compensation of the Texas Department of Insurance an amount equal to 364 weeks of death benefits into the fund.

TIC Ch. 2210; TIC 281.005 Texas Windstorm Insurance Association Act

Assessments are not included in the Texas retaliatory tax computation.

TIC § 462.162; TIC 281.005 Property and Casualty Insurance Guaranty Association Assessments

Each insurer may be assessed no more than 2% of its net direct written premiums for the preceding calendar year in the lines of business for which the assessment is made. This is not included in the Texas retaliatory tax computation.

TIC § 463.153; TIC 281.005 Texas Life and Health Guaranty Association Assessments

A member insurer may be assessed for each account no more than 2% of the insurer's premiums on the policies covered by the account in any one calendar year. This is not included in the Texas retaliatory tax computation.

Other Taxes and Assessments (cont.)

TIC § 2602.202; TIC 281.005 Title Insurance Guaranty Association

Insurers authorized to write title insurance may be assessed no more than 2% of net direct written premiums for the preceding calendar year. This is not included in the Texas retaliatory tax computation.

→ TIC Ch. 2007 Assessment for Rural Fire Protection

The Rural Volunteer Fire Department Assistance program is directed by the Texas Forest Service and assists volunteer fire departments across the state with equipment and training. The program is funded by an annual assessment on certain property and casualty insurers. Each insurer's assessment is based on its share of the total premiums written in Texas in certain categories of insurance. The assessment may be recouped directly from policyholders and is not used in the Texas retaliatory tax computation.

The total assessment as determined by the Commissioner of Insurance will be the lesser of \$30 million or the total amount that the General Appropriations Act appropriates from the volunteer fire department assistance fund account in the general revenue fund for each state fiscal year other than appropriations for contributions to the Texas Emergency Services Retirement System made under Tex. Gov't Code § 614.104(d). The assessment amount is \$23,051,548 for state fiscal year 2022 and \$23,051,549 for state fiscal year 2023.

TIC §§ 203.001; 223.004 Limitation on Certain Additional Taxes

Except as otherwise provided by the Insurance Code or the Labor Code, an insurer or health maintenance organization subject to a tax imposed by TIC Ch. 4, 221, 222, 223A, 224, or 257 and a title insurance company or title insurance agent as specified in TIC § 223.004, may not be required to pay any additional tax imposed by this state or a county or municipality in proportion to the insurer's or health maintenance organization's gross premium receipts.

These sections of the Insurance Code do not (1) limit the applicability of other taxes, fees, and assessments imposed by this code; or (2) prohibit the imposition and collection of state, county, and municipal taxes on the property of insurers or health maintenance organizations or state, county, and municipal taxes imposed by other laws of this state, unless a specific exemption for insurers or health maintenance organizations is provided in those laws.

Exclusions and Deductions:

In addition to the exclusions and deductions listed in the Premium Tax Base section, the following are exempt from tax.

TIC § 221.002 Bail Bond Premium

Premium or service fees retained by a bail bond surety that is licensed under Tex. Occ. Code Ch. 1704 or by a property and casualty agent in connection with the execution or delivery of a bail bond under TIC § 221.002(c)(6) are not subject to premium tax. The portion retained by the insurer remains subject to tax.

Exclusions and Deductions (cont.)

TIC Ch. 885 Fraternal Benefit Societies

Fraternal are exempt from premium tax.

TIC Ch. 886; 888 Local Mutual Aid Associations, Burial Associations

Local Mutual Aid Associations and Burial Associations are not subject to premium tax.

TIC Ch. 911; §§ 221.001; 252.005; 2210.006 Farm Mutual Insurance Companies

A farm mutual insurance company is exempt from the insurance premium tax under TIC Ch. 221 and the maintenance tax under TIC Ch. 252, unless the company is acting as a “fronting insurer” on or after Jan. 1, 2018. Farm mutuals are also exempt from the provisions relating to the Texas Windstorm Insurance Association under TIC Ch. 2210, including the payment of assessments that accrue on or after Sept. 1, 2017. A fronting insurer is a farm mutual insurance company that: (1) issues an insurance policy that is the result of marketing by an insurer not affiliated with the farm mutual insurance company; (2) issues an insurance policy that is the result of an application submitted by a consumer to an insurer not affiliated with the farm mutual insurance company; (3) issues an insurance policy that is the result of an agreement with an insurer that is not a farm mutual insurance company solely for the purpose of being regulated under TIC Ch. 911; or (4) cedes 85 percent or more of the farm mutual insurance company’s direct written premium to one or more nonaffiliated reinsurers.

The state of Texas does not collect premium or maintenance taxes on federally reinsured crop insurance because of the 10th Circuit Court case, *State of Kansas, ex rel. Todd v. United States of America*, 995 F.2d 1505 (10th Cir. 1993). 7 C.F.R. § 400.352(b)(2) specifically preempts states from collecting premium taxes from the Federal Crop Insurance Corporation (FCIC) or any reinsured company on FCIC-insured or reinsured crop insurance policies.

TIC § 1501.0581; 28 TAC § 26.405 Health Group Cooperatives

A health benefit plan insurer that issues coverage to a health group cooperative is exempt from the premium tax or tax on revenues under TIC § 222.002 and the retaliatory taxes under TIC Ch. 281, as provided in TIC § 1501.0581(g)(4), for a period of two years on the premiums or revenues received for coverage provided to previously uninsured employees or dependents (as defined by the commissioner of insurance).

TIC § 1502.053 Children’s Health Benefit Plan

The issuer of a children’s health benefit plan under TIC § 1502.051 is not subject to the premium tax or the tax on revenues imposed under TIC Ch. 222 or retaliatory tax under TIC Ch. 281 with respect to money received for coverage provided under that plan.

TIC § 1505.008 Texas 65 Health Insurance Plans

Premiums for group policies covering residents of this state who are 65 years of age or older are not subject to premium tax.

Exclusions and Deductions (cont.)

TIC § 1551.012 Texas Employees Group Benefits Act

Premiums for Texas state employee plans administered by the Employee Retirement System of Texas are not subject to premium or maintenance taxes or fees.

TIC § 1575.007 Texas Public School Employees Group Insurance Benefits Program

Premiums for plans administered by the Teacher Retirement System of Texas for retired school employees under this statute are not subject to premium or maintenance taxes or fees.

TIC § 1576.007 Group Long-Term Care Insurance for Public School Employees

Premiums for group long-term care insurance and group optional life coverage under this statute are not subject to premium or maintenance taxes or fees.

TIC § 1579.007 Texas School Employees Uniform Group Health Coverage

A premium or contribution on a policy, insurance contract, or agreement that provides coverage through the Teacher Retirement System of Texas for active school employees is not subject to any state tax, regulatory fees, or surcharge, including premium and maintenance taxes and fees.

TIC § 1601.009 Uniform Insurance Benefits Act for Employees of the University of Texas System and the Texas A&M University System

Premiums for health benefit coverage for employees of the two Texas college and university systems under this plan are not subject to premium tax or maintenance taxes or fees.

TIC § 2004.007 Residential Property Insurance in Underserved Areas

Premium for an insurance policy written under this statute is not subject to premium tax.

5 U.S.C. Ch. 89 (Federal Employees Health Benefits Program); Ch. 89A (Federal Employees Enhanced Dental Benefits Program); and Ch. 89B (Federal Employees Enhanced Vision Benefits Program)

Premiums for federal employees' plans administered under these chapters are exempt from taxation.

Credits:

TIC §§ 803.007; 401.151; 401.154; 34 TAC § 3.830 Expenses of Examinations

Expenses of examinations paid in a year by insurers subject to premium taxes may be taken as a credit against the premium tax. Premium tax credits exceeding the tax due cannot be carried forward and are lost.

Credits (cont.)

TIC Ch. 228; 34 TAC § 3.833 Investment in Certified Capital Company (CAPCO)

Texas law allowed the creation of certified capital companies (CAPCOs), which are state regulated, privately owned and operated venture capital entities that invest funds in early stage companies doing business in the state. Under Program One, licensed insurance companies and HMOs were allowed to invest a total of \$200 million in venture capital through qualified CAPCOs and receive a premium tax credit of 25% per year beginning with the 2008 tax year.

Program Two also allowed a total investment of \$200 million. The tax credits for Program Two were allowed at 25% per year beginning with the 2012 tax year, due Mar. 1, 2013. Title insurers were allowed to invest in certified capital companies (CAPCOs) under Program Two.

TIC § 462.157 Property and Casualty Guaranty Association

Assessments may be offset against premium tax at rate of 10% per year for 10 years or 20% for five years, depending upon the date of the receivership, beginning the year the assessment is paid.

TIC §§ 463.160; 463.161 Life and Health Insurance Guaranty Association

Prior to Sept. 1, 2005, assessments were allowed as a credit against premium taxes at the rate of 10% per year for 10 years. For assessments made to cover the outstanding claims for an insurer that became insolvent on or after Sept. 1, 2005, the credit rate is 20% for five years, beginning the year following payment of the assessment.

TIC Ch. 2254 Excessive Automobile and Property Insurance rates

The insurance commissioner may determine if an insurer has used an excessive or unfairly discriminatory rate to determine premiums for personal automobile or residential property insurance. The commissioner may order such an insurer to refund the excessive or discriminatory portion of the premium plus interest. Once the commissioner makes a determination that a refund is due, the insurer cannot claim any premium tax credit to which it is entitled unless the insurer has complied with TIC Ch. 2254.

TIC § 2602.210 Title Insurance Guaranty Association

Assessments may be taken into account when setting premium rates, and any assessments not so recovered may be offset against premium tax at a rate of 20% per year for five or more successive years beginning the year the assessment is paid.

Tex. Tax Code § 171.908 (e) Tax Credit for Certified Rehabilitation of Certified Historic Structures

The certified rehabilitation of certified historic structures credit is governed by Tex. Tax Code Ch. 171, Subch. S. An insurer who owns a historic structure credit may apply that credit against its premium tax liability under TIC Ch. 221, 222, 223, or 224. This credit is applied after all other available credits. An insurer is not required to pay any additional Texas retaliatory tax as a result of claiming this credit.

Payment and Report Due Dates:

TIC §§ 221.003(a); 221.004(b); 222.004(a)(1); 222.005(b); 223.006(a)(1); 223.007(b); 224.002; 2201.155; 964.068; 34 TAC § 3.809; Tex. Lab. Code § 407A.304

Annual premium tax reports and payments are due Mar. 1. Semiannual prepayments are due Mar. 1 and Aug. 1 if the prior year's tax liability exceeded \$1,000. Each prepayment must equal the lesser of 50% of the total net premium tax due for the prior year's liability or 50% of the estimated current year's net premium tax due. If no tax was paid the prior year, each prepayment must equal the tax that would be due on the two previous calendar quarters.

For stipulated premium companies and statewide mutual assessment life, health and accident companies whose annual statement due date is April 1, the first prepayment and annual report are due and payable April 1. The second prepayment is due Aug. 1.

TIC §§ 251.001; 252.004; 253.004; 254.004; 255.004; 256.004; 257.004; 258.005; 259.005; 261.005; 271.011; Tex. Lab. Code §§ 403.002; 405.003; 407A.302

Maintenance tax report and payment are due Mar. 1.

The Comptroller's office may require semiannual or other periodic payments from an insurer, or a health maintenance organization whose maintenance tax liability for the previous tax year was at least \$2,000.

Penalties:

TIC §§ 203.002; 221.007; 222.008; 223.010; 841.104

A certificate of authority may not be issued for a health maintenance organization, property and casualty company, title insurance company or a life, health and accident insurance company that fails to pay its previous occupation tax.

Tex. Tax Code §§ 111.060; 111.061; 34 TAC § 3.809

For premium taxes, maintenance fees and assessments, failure to pay on or before the due date will result in a penalty of 5% if 1-30 days late, or 10% if over 30 days late. If the amount is unpaid more than 60 days after the due date, the 10% penalty is due plus interest on the unpaid balance that is calculated at the rate published in publication 98-304, available online at <https://www.comptroller.texas.gov/taxes/file-pay/interest.php>. The rate may be obtained by calling toll free at 1-877-447-2834.

Texas Transportation Code, § 1006.153 (Fee Imposed on Insurer)

Effective September 1, 2021, a penalty is assessed for a delinquent payment of the Motor Vehicle Crime Prevention Authority fee as provided under Tax Code, § 111.061, and interest accrues in the manner described by Tax Code, § 111.060, on any fee paid after the due date.

Retaliatory Law:

TIC §§ 281.001 to 281.052

Retaliatory taxes are assessed on those foreign or alien insurers, authorized to engage in business in Texas, whose state of domicile would assess aggregate higher taxes, assessment, and fee obligations on similar Texas insurers than Texas assesses on such insurers operating in this state. A similar Texas insurer is a hypothetical company writing the same amounts and types of coverage as a foreign or alien insurer doing business in Texas. A comparison of basic premium tax rates is required.

The retaliatory tax does not apply to a person, company, firm, association, group, corporation, or insurance organization of any kind from another state that engages in business in Texas if, since Jan. 30, 1957, at least 15% of the voting stock is owned by a corporation organized under the laws of and domiciled in Texas.

In determining an insurer's taxes or other charges, the comptroller may not consider an ad valorem tax on property, a personal income tax, a sales tax, a surcharge, or assessment that an insurer may recover directly from policyholders or that can otherwise be recouped, or an assessment for a special purpose. An assessment for a special purpose is an assessment that only applies to insurance companies to cover losses or deficits. The term includes guaranty association assessments, high risk health pool assessments, joint underwriting association assessments, windstorm association assessments, or other similar assessments, both under the law of this or other state, or territory.

If another state or territory allows a premium tax credit or reduced premium tax rate based upon investments or some other requirements in that state, the tax credit or reduced premium tax rate cannot be used in the Texas retaliatory computation. CAPCO credits and certified rehabilitation of certified historic structures credits cannot be included in the retaliatory tax calculation.

The rural volunteer fire department assistance fund assessment and the automobile burglary and theft prevention authority assessment are assessments that may be recouped directly from policyholders. These assessments may not be used in Texas retaliatory tax computations.

Title insurers must include only the title insurers' portion of the premium and maintenance tax liability in the Texas retaliatory tax computation. Because the title agent is responsible for its portion of the premium tax and maintenance fee in Texas, the title insurer should not include these amounts in the Texas column of the retaliatory worksheet.

The Comptroller's office by rule may enter into a reciprocity agreement with another state under which the parties agree to mutually set aside retaliatory provisions in situations in which this state and the other state determine that retaliation is not the preferred approach to protect their domestic insurers from excessive taxation or other financial obligations. To date, the Comptroller's office has not entered into any reciprocity agreements.

Risk retention groups are not subject to the Texas retaliatory tax.

FEES

Insurers' Fees:

Regulatory and other fees are included in the Texas retaliatory tax computation for each tax year the fees are paid.

Effective Sept. 1, 2007, domestic life insurers are no longer subject to the valuation fee.

TIC §§ 202.004; 202.051 to 202.052 (sets maximums); 804.201; 861.254; 911.003; 912.302; 28 TAC §§ 7.1301; 13.531; 13.571; 25.88; 34 TAC § 3.833; Tex. Bus. Orgs. Code § 4.152(9)

Certificate of authority:

| | |
|--|-----|
| Filing an original charter of a company including issuance of a certificate of authority | \$0 |
| Filing an application for admission of a foreign or alien company | 0 |
| Filing an amendment to a charter if a hearing is held..... | 0 |
| Filing an amendment to a charter if a hearing is not held..... | 0 |
| Filing an amendment to a certificate of authority if the charter is not amended..... | 0 |
| Filing of restated articles of incorporation for domestic, foreign and alien companies..... | 0 |

Security deposits:

| | |
|--|---|
| Accepting a security deposit..... | 0 |
| Substitution or amendment of a security deposit..... | 0 |
| Certification of statutory deposits..... | 0 |
| Filing a joint control agreement..... | 0 |
| Filing a substitution or amendment to a joint control agreement..... | 0 |

Annual statement filing (28 TAC § 7.1301; TIC § 2551.153):

| | |
|---|-----|
| *Life, accident and health carrier and property and casualty carriers, including domestic surplus lines insurers, writing accident and health insurance | 250 |
| Property/casualty carriers, including domestic surplus lines insurers, NOT writing accident or health insurance (TIC § 861.254)..... | 20 |
| Farm mutual companies (TIC § 911.003)..... | 20 |
| County mutual companies (TIC § 912.302)..... | 20 |
| Reciprocal exchanges..... | 250 |
| *Local mutual assessment companies (LMAs) | 250 |
| *Burial associations | 250 |
| *Statewide mutual assessment company | 250 |
| Foreign registered risk retention group..... | 250 |
| Domestic risk retention group..... | 20 |
| Stipulated premium company | 20 |

Insurers' Fees (cont.)

TIC §§ 202.004; 202.051 to 202.052 (sets maximums); 804.201; 861.254; 911.003; 912.302; 28 TAC §§ 7.1301; 13.531; 13.571; 25.88; 34 TAC § 3.833; Tex. Bus. Orgs. Code § 4.152(9) (cont.)

Annual statement filing (28 TAC § 7.1301; TIC § 2551.153) (cont.)

| | |
|------------------------|--------|
| Title companies | \$20 |
| Lloyds companies | Exempt |

**The Annual Statement filing fee for these carriers with annual gross premiums in all states totaling less than \$450,000 is \$125.*

Mergers, acquisitions, reinsurance agreements, etc.:

| | |
|--|----------------|
| Filing a statement, first \$9,900,000 of the purchase price or consideration | 500 |
| For each \$10,000,000 that exceeds \$9,900,000..... | additional 250 |
| Maximum fee for this subdivision..... | 5,000 |
| Filing for approval of a merger | 0 |
| Filing a total reinsurance agreement..... | 0 |
| Filing a partial reinsurance agreement..... | 0 |
| Holding company registration statement pursuant to TIC §§ 823.051-823.060..... | 0 |
| Holding company transactions pursuant to TIC §§ 823.101-823.107 | 0 |
| Exemption pursuant to TIC § 823.164..... | 0 |

Miscellaneous services:

| | |
|---|----|
| Affixing the official seal and certifying to the seal..... | 11 |
| Filing a designation of an attorney for service of process or amendment of the designation..... | 0 |
| Acceptance of service on Commissioner of Insurance | 50 |
| Reservation of name | 0 |
| Renewal of reservation of name | 0 |
| Filing a notice of intent to relocate books and records | 0 |
| Filing a change of attorney-in-fact..... | 0 |
| Lloyd's underwriter substitution..... | 0 |

Policy form filing:

| | |
|---------------------------------|-----|
| Filing for review | 100 |
| Filings exempt from review..... | 50 |

Credit life and credit accident and health:

| | |
|-----------------------|-----|
| Form filing fee | 100 |
| Rate filing fee..... | 100 |

Health Maintenance Organizations (28 TAC § 7.1301):

| | |
|---|-----|
| Original application for certificate of authority | 0 |
| Annual report filing fee..... | 250 |
| Evidence of coverage requiring approval | 100 |
| Filings required by rule (28 TAC § 11.1301) but not requiring approval..... | 50 |

Insurers' Fees (cont.)

TIC §§ 202.004; 202.051 to 202.052 (sets maximums); 804.201; 861.254; 911.003; 912.302; 28 TAC §§ 7.1301; 13.531; 13.571; 25.88; 34 TAC § 3.833; Tex. Bus. Orgs. Code § 4.152(9) (cont.)

Third Party Administrators (TIC § 4151.206—set maximums):

| | |
|---|---------|
| Application for certificate of authority (28 TAC § 7.1604(a)) | \$1,000 |
| Annual operations report (28 TAC § 7.1609(a))..... | 200 |
| On-site examination fee (28 TAC § 7.1617(a)) | 500 |

Premium Finance Companies (28 TAC § 25.33, TIC § 651.064(b) & (c)):

| | |
|--|-------------------------------------|
| Initial license fee (for applications received between Jan. 1 and June 30) | 200 |
| Initial license fee (for applications received between July 1 and Dec. 31)..... | 100 |
| Initial license investigation fee | 400 |
| Investigation fee for change of ownership..... | 200 |
| Additional location license fee..... | 200 |
| License renewal fee..... | 200 |
| License renewal fee (after Dec. 31, but expired less than 90 days)..... | 300 |
| License renewal fee (expired more than 90 days but less than two years) | 400 |
| | Plus <u>all</u> unpaid renewal fees |
| Annual assessment fee (28 TAC § 25.88)..... | 250 |

Multiple Employer Welfare Arrangements (MEWA) (28 TAC § 7.1908):

| | |
|--|-------|
| Initial certificate of authority | 5,000 |
| Final certificate of authority..... | 1,500 |
| Annual financial reporting filing fee..... | 500 |

Continuing Care Retirement Communities (CCRC):

| | |
|---|-----------------------------|
| Application for certificate of authority (28 TAC § 33.6)..... | 10,000 |
| Annual disclosure statement (28 TAC § 33.301(b))..... | 500 |
| | Plus \$2.00 per living unit |

Non-Admitted Companies and Entities (28 TAC § 13.312):

| | |
|--|-----|
| Foreign risk retention group registration | 250 |
| Purchasing group registration | 50 |
| Acceptance of service on Commissioner of Insurance | 25 |

Health Care Collaborative (28 TAC § 13.411):

| | |
|---|--------|
| Original application for certificate of authority | 10,000 |
| Annual renewal fee | 5,000 |
| Annual examination assessment (28 TAC § 13.421)..... | varies |

Captive Insurers (TIC 964.057):

| | |
|---|-------|
| Original application for certificate of authority | 1,500 |
|---|-------|

Certified Capital Company (CAPCO) (34 TAC § 3.833):

| | |
|-------------------------------------|-------|
| Application fee, nonrefundable..... | 7,500 |
| Renewal fee, nonrefundable..... | 5,000 |

Insurers' Fees (cont.)

TIC §§ 202.004; 202.051 to 202.052 (sets maximums); 804.201; 861.254; 911.003; 912.302; 28 TAC §§ 7.1301; 13.531; 13.571; 25.88; 34 TAC § 3.833; Tex. Bus. Orgs. Code § 4.152(9) (cont.)

Professional Employer Organizations (28 TAC §§ 13.531; 13.571) \$5,050
 Annual statement filing fee..... 500

Any insurer whose gross premium receipts are less than \$450,000, according to its annual statement for the preceding year ending Dec. 31, shall be required to pay only one-half the amount of the fees required to be paid under this article and as set by the Texas Department of Insurance.

→ Producer Licensing Fees:

**Texas contracts with an examination vendor to administer qualifying examinations. The exact fee may differ from what is listed below according to the contract. TIC § 4002.052.*

TIC § 7001.006; 28 TAC §§ 9.1; 19.801 and 19.802; *see also* <http://www.tdi.texas.gov/agent/>

General lines—life, accident and health:

Provisional Permit—in addition to the Application fee..... 50
 Application fee..... 50
 Renewal 50
 Appointment 10
 *Qualifying examination 43

Life:

Provisional Permit—in addition to the Application fee..... 50
 Application fee..... 50
 Renewal 50
 Appointment 10
 *Qualifying examination 33

General lines—property and casualty:

Provisional Permit—in addition to the Application fee..... 50
 Application fee..... 50
 Renewal 50
 Appointment 10
 *Qualifying examination 43

Personal lines:

Application fee..... 50
 Appointment 10
 *Qualifying examination 33

Life insurance not exceeding \$25,000:

Provisional Permit—in addition to the Application fee..... 50
 Application fee..... 50
 Renewal 50
 Appointment 10

Producer Licensing Fees (cont.)

TIC § 7001.006; 28 TAC §§ 9.1; 19.801 and 19.802; *see also* <http://www.tdi.texas.gov/agent/> (cont.)

County Mutual:

| | |
|--|------|
| Provisional Permit—in addition to the Application fee..... | \$50 |
| Application fee..... | 50 |
| Renewal fee..... | 50 |
| Appointment | 10 |

Funeral prearrangement life:

| | |
|--|----|
| Provisional Permit—in addition to the Application fee..... | 50 |
| Application fee..... | 50 |
| Renewal fee..... | 50 |
| Appointment | 10 |

Limited lines:

| | |
|-------------------------------|----|
| Application fee..... | 50 |
| Renewal | 50 |
| Appointment | 10 |
| *Qualifying examination | 23 |

Insurance adjuster (all lines, property and casualty, or workers' compensation):

| | |
|---|----|
| Application fee..... | 50 |
| Renewal | 50 |
| *Qualifying examination for property and casualty and all lines | 43 |
| *Qualifying examination for workers' compensation..... | 23 |
| Original application for emergency license (catastrophe) | 20 |

Life Settlement Brokers & Providers (28 TAC §§ 3.1721(e), 3.1722(a) & (e)):

| | |
|--|-----------------------------|
| Life settlement broker license fee (non-refundable)..... | 50 |
| Life settlement provider license fee (non-refundable)..... | 100 |
| Life settlement broker renewal fee (non-refundable)..... | 50 |
| Life settlement provider renewal fee (non-refundable) | 100 |
| Life settlement broker or provider late renewal fee (no more than 90 days after expiration) | additional ½ of renewal fee |

Surplus lines agent:

| | |
|-------------------------------|----|
| Application fee..... | 50 |
| Renewal | 50 |
| *Qualifying examination | 23 |

Title insurance agent:

| | |
|----------------------|----|
| Application fee..... | 50 |
| Renewal | 35 |
| Appointment | 16 |

Producer Licensing Fees (cont.)

TIC § 7001.006; 28 TAC §§ 9.1; 19.801 and 19.802; *see also* <http://www.tdi.texas.gov/agent/> (cont.)

Title insurance escrow officer:

| | |
|----------------------|------|
| Application fee..... | \$35 |
| Renewal | 35 |
| Appointment | 10 |

Title direct operation license:

| | |
|----------------------|----|
| Application fee..... | 50 |
| Renewal | 35 |

Risk manager:

| | |
|-------------------------------|----|
| Application fee..... | 50 |
| Renewal | 50 |
| *Qualifying examination | 33 |

Specialty licenses (includes rental, credit, portable electronic vendor, travel and storage facility):

| | |
|--------------------------------------|----|
| Application fee, per authority | 50 |
| Renewal fee..... | 50 |
| Appointment | 10 |

Managing general agent:

| | |
|-------------------------------|----|
| Application fee..... | 50 |
| Renewal | 50 |
| Appointment | 10 |
| *Qualifying examination | 43 |

Reinsurance intermediary:

| | |
|----------------------|-----|
| Application fee..... | 500 |
| Renewal | 500 |

Public adjusters:

| | |
|-------------------------------|----|
| Original application | 50 |
| *Qualifying examination | 33 |

Discount health care program operator (registration):

| | |
|----------------------|-------|
| Application fee..... | 1,000 |
| Renewal | 500 |

Temporary license:

| | |
|--|-----|
| In addition to the original license application fee..... | 100 |
|--|-----|

Agents' fees are paid by the agent. There is no retaliation on these fees.

DEPOSITS

TIC § 2551.201 Title Insurers; Title Basic Manual section VI

Title insurers must deposit cash or securities in an amount equal to 25% of authorized capital, not to exceed \$100,000. Foreign insurer may instead provide certificate that deposit is maintained in another state.

TIC § 406.003 Special Deposits

The commissioner, in the commissioner's sole discretion, may require an insurer to make a deposit under this article if the commissioner determines that one of the following conditions, if not rectified, may potentially be hazardous to the insurer's policyholders, enrollees, or creditors, or to the public:

- 1) the financial or operating condition of the insurer, when reviewed in conjunction with the kinds and nature of risks insured;
- 2) the insurer's method of operation;
- 3) the insurer's relationship with affiliates;
- 4) the nature and amount of the insurer's investments;
- 5) the insurer's contracts that may lead to a contingent liability; or
- 6) the insurer's agreements with respect to guaranty and surety.

A deposit required to be made under this article is in addition to any other deposit that the insurer is required or authorized to make under this code.

→ CONTACT PERSON

- Office of Comptroller—Taxes, Assessments & Retaliation
Nick Souza: (512) 463-4079; nicholas.souza@cpa.texas.gov
Nina Roberts (512) 463-4358; nina.roberts@cpa.texas.gov
George Mirzashvili: (512) 463-3432; george.mirzashvili@cpa.texas.gov
- Company Fees
Jan Feutral: (512) 676-6382; jan.feutral@tdi.texas.gov
- Agents' Fees
Jodie Delgado: (512) 676-6481; jodie.delgado@tdi.texas.gov
Randall Evans: (512) 676-6520; randall.evans@tdi.texas.gov
- Title Insurance Agent Fees
Jodie Delgado: (512) 676-6481; jodie.delgado@tdi.texas.gov
Randall Evans: (512) 676-6520; randall.evans@tdi.texas.gov
- Maintenance Tax Rates
Robert Palm: (512) 676-6906; robert.palm@tdi.texas.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

UTAH

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Utah Code Ann. § 59-9-101

Taxable premium pursuant to § 59-9-101(1)(c) shall be reduced by the premiums returned or credited to policyholders on direct business subject to tax in Utah, premiums received for reinsurance of property or risks located in Utah, and dividends, including premium reduction benefits maturing within the year: (A) paid or credited to policyholders in Utah or (B) applied in abatement or reduction of premiums due during the preceding calendar year. Premium tax does not apply to workers compensation insurance assessed under § 59-9-101(2), title insurance premiums taxed under § 59-9-101(3), annuity considerations, ocean marine insurance and insurance premiums paid by an institution within the state system of higher education as specified in § 53B-1-102. Moreover, following are not subject to premium tax on health care insurance; Domestic and Stock Mutual Insurance Corporations, Nonprofit Health Service Insurance Corporations, Health Maintenance Organizations and Limited Health Plans, Insurance Fraternal, Motor Clubs, Employee Welfare Funds and Plans and Foreign Insurers.

Tax Rate:

→ § 59-9-101

2.25% of total premiums received during preceding calendar year.

The tax rate for title insurers is 0.45% of total premiums received, including premiums for assumption of risk and the charge for abstracting titles, title searching, etc.

Variable life insurance premiums shall be taxed at 2.25% of the first \$100,000 of Utah variable life insurance premiums and 0.08% of Utah variable life insurance premiums that exceed \$100,000.

Effective 1/1/2023, travel insurance premiums shall be taxed at 2.25% of total premiums received

§ 31A-15-204

Risk retention group taxed same as foreign admitted insurer.

Other Taxes and Assessments:

§ 59-9-101; Tax Bulletin 06-21 Workers' Compensation

Utah worker's compensation insurance premium assessment rates must be within 1% and 4.15%. The assessment rate for the year is determined by the Utah Labor Commission prior to Oct. 15 of the preceding year. For 2022 the Utah Labor Commission has determined the rate is 1.25%.

Other Taxes and Assessments (cont.)

§ 34A-2-202 Self-Insurers

Employers authorized by the Utah Labor Commission to provide direct worker's compensation must pay the Worker's Compensation assessment at the same rate as an admitted insurer.

§ 59-9-103 Insurers not Otherwise Taxed

Administrative and claims expenses, including all claims paid, agency expenses, third party administrator expenses, taxes, licenses, fees, loss adjustment expenses, legal expenses, reinsurance premiums, and all other expenses incurred directly in connection with the insurance of Utah risks by the insurer, less any recoveries or reimbursements because of reinsurance or otherwise shall pay to the commission on or before Mar. 31 of each year, a tax of 2.25% of the total administrative and claims expense incurred during the prior year by the insurer.

§ 31A-23a-415; Utah Admin. Code (UAC) R592-10 Assessment of Title Insurance Agencies and Insurers

Each title agency shall be assessed up to \$250 for the first office in each county in which the agency maintains an office and \$150 for each additional office the agency maintains in the same county. A title insurer shall be assessed up to \$250 for the first office in each county in which the title insurer maintains an office and \$150 for each additional office the title insurer maintains in the same county. The total costs covered by the assessment may not exceed \$100,000 annually.

§ 31A-41-202 Assessment of Title Insurance Agencies and Insurers

A title insurance agency licensee shall pay to the department an assessment of \$1,000 before the day on which the person is licensed as a title insurance agency.

§ 59-9-105 Relative Value Study

Insurers providing motor vehicle liability insurance, uninsured motorist coverage and personal injury protection shall pay to the State Commission on or before Mar. 31 of each year, a tax of 0.01% on the total premiums received for these coverages during the preceding calendar year from policies covering motor vehicle risks in this state. The funds are for the purpose of paying the costs of the insurance department study on relative value, which is defined at § 31A-22-307, and the costs to prepare, publish and distribute insurance publications provided in § 31A-2-208, and the cost to provide services of the insurance department through use of electronic commerce and other information technology.

Other Taxes and Assessments (cont.)

§ 31A-31-108 Insurance Fraud Assessment

Each admitted and non-admitted insurer may be assessed an annual fee as follows:

| Fee | Total Premiums for Utah Risks |
|--------|---|
| \$200 | \$1 million or less |
| 450 | More than \$1 million but less than \$2.5 million |
| 800 | More than \$2.5 million but less than \$5 million |
| 1,600 | More than \$5 million but less than \$10 million |
| 6,100 | More than \$10 million but less than \$50 million |
| 15,000 | \$50 million or more |

§ 31A-28-208 Property and Casualty Guaranty Association

May assess member insurers no more than 2% of insurer’s net direct written premiums for the preceding calendar year.

§ 31A-28-109 Life and Health Guaranty Association

The Board of Directors may assess member insurers the funds necessary to carry out the powers and duties of the association. Statute provides for two types of assessments. Class A for the purpose of meeting administrative, legal and other costs. Class B for the purpose of carrying out the duties of the association pursuant to 31A-28-108 with regard to an impaired or an insolvent insurer. Total assessments authorized by the association on a member insurer may not in any one calendar year exceed 2% of the member insurer’s average annual assessable premiums.

§ 31A-3-102 Preemption

Taxes and fees under this chapter and premium taxes under §§ 59-9-101 through 59-9-104, the fees under § 31A-31-108, and the examination costs under § 31A-2-205 are in place of all other license fees or assessments that might otherwise be levied by the state or any other taxing body within the state. An insurer that is subject to premium taxes is not subject to corporate franchise taxes. Unless otherwise exempt, a licensee under this title is subject to real and personal property taxes.

Exclusions and Deductions:

§ 31A-9-601 Fraternal Benefit Societies

Every domestic and nondomestic fraternal is exempt from all state, county, district, municipal, and school taxes or fees, except the fees required under § 31A-3-103, and all the taxes and special assessments on its real estate and office equipment.

Exclusions and Deductions (cont.)

§ 400.351; 7 C.F.R. § 400.352 Crop Insurance

Premiums on federally reinsured multi-peril crop insurance are not subject to premium tax. States are preempted from levying taxes or assessments on federal reinsured policies. The exemption from state taxes is based on § 511 in the Federal Crop Insurance Corporation (FCIC) Act and is further expressed at 7 C.F.R. §§ 400.351 and 400.352.

§ 59-9-101; 42 C.F.R. §§ 423.440(b) and 422.404(a) Medicare

Premiums on Medicare Part D plan enrollee and Medicare Advantage Plan enrollee insurance are not subject to premium tax.

Credits:

§ 59-9-102 Property Tax Offset

Insurers may offset from the premium tax due that portion of the property tax paid for general state purposes.

§ 59-9-102.5 Offset for Occupational Health and Safety Related Donations

A workers' compensation insurer may offset against the premium assessment imposed under § 59-9-101(2) an amount equal to the lesser of:

- (i) The total of qualified donations made by the workers' compensation insurer in the calendar year for which the premium assessment is calculated; and
- (ii) 0.10% of the workers' compensation insurers' total workers' compensation premium income as defined in § 59-9-101(2)(b) in the calendar year for which the premium assessment is calculated.

§ 31A-2-205 Examination Fees

Domestic insurers may offset examination fees paid against their premium taxes under subsection 59-9-102(2) Utah Code.

§ 31A-28-113 Life and Health Guaranty Association

Insurers may offset Class B assessments against their premium tax liability at the rate of 20% per year for each of the five years following the year the assessment was paid. Refunds of assessments are taxable.

§ 31A-28-212 Property and Casualty Guaranty Association

Insurers may offset assessments paid against their premium tax liability at the rate of 20% per year for each of the five years following the year the assessment was paid. Refunds of assessments are taxable.

Credits (cont.)

§ 59-9-107 Small Business Jobs Tax Credit

An entity may claim a nonrefundable tax credit against its insurance premium tax liability if it makes a qualified equity investment and obtains a tax credit certificate from the Governor's Office of Economic Development. An entity may carry forward a tax credit under this section for seven years if:

- (i) The entity is allowed to claim a tax credit under this section for a calendar year; and
- (ii) The amount of the tax credit exceeds the entity's tax liability under this chapter for that calendar year. (Effective Sept. 2, 2014.)

Payment Due Dates:

§ 59-9-101

Tax return due Mar. 31.

§ 59-9-104

Installment payments due if last year's liability was \$10,000 or more. Each installment shall be based on estimated premiums received, or claims and administrative expenses paid, and is due April 30, July 31, Oct. 31, and Mar. 31. No penalty will be assessed if each installment is at least 27% of last year's tax liability.

Penalties:

§ 59-1-401 Penalties

The penalty for failure to file a tax return within the time prescribed by law including extensions is the greater of \$20 or a percentage of the unpaid tax due on the return based on when the return is received, and/or the tax is paid. 2% for a return filed or paid no later than five days late. 5% for a return filed or paid between 5 and 15 days late. 10% for a return filed or paid more than 15 days late. 12% for a return filed and paid no more than 95 days late. 15% for a return filed and paid between 95 and 105 days late. 20% for a return filed and paid more than 105 days late. Penalty for underpayment due to negligence is 10% of underpayment. If the underpayment is due to fraud with intent to evade the tax, the penalty is the greater of \$500 per period or 100% of the entire underpayment. There are additional penalties for intent to evade the tax.

Penalties (cont.)

§ 59-1-402 Interest

Simple interest is assessed from the original due date of the return on any tax unpaid by that due date including any increase in tax for an amended return or audit assessment. Simple interest is paid on a refund of an overpayment of tax from the original due date of the return less 45 days if the return is electronically filed or 90 days if the return is not electronically filed. The Utah simple interest for a year is 2% above the federal short-term rate at the end of the preceding year. *See Utah publication 58 for current or prior year interest rates.*

§ 59-7-514 Utah Code Extensions

Where it is shown to the satisfaction of the commission that the payment of a deficiency upon the date prescribed for the payment thereof will result in undue hardship to the taxpayer, the commission (except where the deficiency is due to negligence, to intentional disregard of rules, or to fraud with intent to evade tax) may grant an extension for the payment of such deficiency or any part thereof for a period not in excess of six months. If an extension is granted, the commission may require the taxpayer to furnish a bond in such amount, not exceeding double the amount of the deficiency, and with such sureties as the commission deems necessary, conditioned upon the payment of the deficiency in accordance with the terms of the extension.

Retaliatory Law:

§§ 31A-3-401 to 31A-3-402

When other states charge Utah insurers or their representatives' taxes, licenses, fees, deposit requirements, etc. in excess of the amounts Utah would charge insurers of that state, retaliation will occur. Any tax imposed by political subdivisions is considered imposed by the state. This provision does not apply to personal income taxes, ad valorem taxes on real or personal property, nor to special purpose obligations in connection with particular kinds of insurance, except when taken in account by the other states for retaliation. Retaliation is considered both on the premium tax return and when documents are filed. The commissioner has authority to waive, by regulation, retaliatory fees for a person doing business in Utah or seeking to do business in Utah.

FEES

Fees are not retaliatory.

Insurers' Fees:

Department Release; UAC R590-102-5; R590-102-6; R590-102-7; R590-102-22; R590-102-24

Certificate of authority:

| | |
|--|---------|
| * Foreign and domestic (new)..... | \$1,075 |
| * Continuation of certificate of authority (annual) | 375 |
| * Reinstatement of certificate of authority..... | 1,075 |
| * Amendments to certificate of authority/name change/add or drop line of business | 250 |
| * Organizational permit for mutual insurer..... | 1,075 |
| Redomestication of certificate of authority to Utah..... | 2,000 |
| * Application for surplus lines authority, accredited reinsurer and trusted reinsurer | 1,075 |
| * Application for renewal of surplus lines, accredited reinsurer and trusted reinsurer | 575 |

* Includes electronic commerce dedicated fee.

Holding company:

| | |
|--|-------|
| Merger, acquisition or change of control (Form A)..... | 2,000 |
|--|-------|

Risk retention and risk purchasing group:

| | |
|-------------------------|-----|
| Initial filing | 250 |
| Renewal fee..... | 200 |
| Annual service fee..... | 200 |

Miscellaneous services:

| | |
|--|------|
| Photocopy, per page..... | 0.50 |
| Copy complete annual statement, per statement | 40 |
| Accepting service of process | 10 |
| Electronic format listing, up to 30 minutes of staff time | 50 |
| each additional 30 minutes or fraction thereof..... | 50 |
| Relative value study book..... | 10 |
| Return check fee | 20 |
| Workers' compensation loss cost multiplier schedule..... | 5 |
| Address correction fee assessed when department has to research and enter new address for a license due by the due date on the invoice..... | 35 |

Insurers' Fees (cont.)

Department Release: UAC R590-102-5; R590-102-6; R590-102-7; R590-102-22; R590-102-24 (cont.)

A service fee, based on Utah premium, is changed annually. It covers items that were formerly subject to a separate charge, such as agent appointments, form filing, annual statement fees, etc.

| Premium Volume | Service Fee |
|---|-------------|
| more than \$0 but less than \$1 million | \$700 |
| \$1 million but less than \$3 million | 1,100 |
| \$3 million but less than \$6 million | 1,550 |
| \$6 million but less than \$11 million | 2,100 |
| \$11 million but less than \$15 million | 2,750 |
| \$15 million but less than \$20 million | 3,500 |
| \$20 million or more | 4,350 |

Producer Licensing Fees:

UAC R590-102-12; R590-102-14; R590-102-22

Producer license:

*Biennially..... \$75

Limited lines:

*License..... 50

Additional line:

*Additional line of authority..... 25

Third party administrator:

*License, biennially..... 75

Individual consultant:

*License, biennially..... 75

Individual adjuster:

*License, biennially..... 75

Managing general agent:

*License, biennially..... 75

Reinsurance intermediary:

*Biennially..... 75

Agency:

*License, biennially..... 85

Producer Licensing Fees (cont.)

UAC R590-102-12; R590-102-14; R590-102-22 (cont.)

Title agency:

*Resident-only \$1,000

Fingerprinting:

*Fingerprinting 28.25 plus 6 for Prometric processing fee

** Includes electronic commerce dedicated fee.*

Bulletin 2018-3

Senate Bill 227 amended §§ 31A-23a-104 and 31A-26-202 to provide a license fee exemption for military individuals and spouses applying for a Utah nonresident initial license, or a license renewal, on or after May 8, 2018.

Fees are not retaliatory. May be paid by producer or insurer.

DEPOSITS

§§ 31A-4-105 to 31A-4-105.5

Domestic insurers of the following types need to deposit an amount equal to required capital (stock insurers) or surplus (mutual insurers): stock and mutual insurers, nonprofit health service corporations and fraternal. Foreign insurers shall maintain a deposit in the amount of the insurer’s required minimum capital or permanent surplus. A like deposit held for the benefit of all policyholders in another state qualifies.

[Note: Please see the Company Deposit and Capital & Surplus charts for further information.]

→ **CONTACT PERSON**

Utah Tax Commission

Technical Research Unit: (801) 297-7705; taxmaster@utah.gov

→ Utah Insurance Department—Company Licensing

Dava Neal: (801) 957-9252; dneal@utah.gov

Jay Sueoka: (801) 957-9253; jsueoka@utah.gov

→ Utah Insurance Department—Agent & Agency Licensing

Heidi Petermann: (801) 957-9246; hpetermann@utah.gov

→ Utah Insurance Department—Deposits

Joe Coccimiglio: (801) 957-9251; joecoccimiglio@utah.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

VERMONT

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Vt. Stat. Ann. tit. 32 §§ 8551; 8554

Gross premiums and assessments upon all risks located in this state without consideration for the situs of the related contract, not including premiums received for reinsurance. May deduct returned premiums and dividends actually paid. Risks located in Vermont should reflect physical location, employment location or residence, etc.

tit. 8 § 3718

Annuity considerations are subject to tax only if taxed by state of incorporation.

Tax Rate:

tit. 32 § 8551

2%

tit. 8 § 6014 captive insurers

0.380% on first \$20 million of direct reinsurance premium
0.285% on next \$20 million
0.190% on next \$20 million, and
0.072% on each dollar thereafter

0.214% on first \$20 million of assumed reinsurance premium
0.143% on next \$20 million
0.048% on next \$20 million, and
0.024% on each dollar thereafter

Annual minimum aggregate tax shall be \$7,500 and the annual maximum aggregate tax shall be \$200,000. Due Mar. 15.

tit. 8 § 6053

Risk retention group not chartered in this state taxed on same basis as foreign admitted insurer.

Other Taxes and Assessments:

tit. 32 § 8557 Vermont Fire Service Training Council Assessment

Licensed companies writing fire, homeowner, commercial multiple peril and auto lines may be assessed for the expenses of the council. Each insurer will be assessed by July 1. Total aggregate assessment not to exceed \$1,200,000 per year.

tit. 8 § 3615 Property and Casualty Guaranty Association

May assess member insurers no more than 2% of net direct written premiums on kinds of insurance covered by the account for insolvent insurers.

tit. 8 § 4159 Life and Health Guaranty Association

May assess member insurers for administrative expenses and no more than 2% of net premiums for kinds of insurance covered by the account for insolvent insurers.

Exclusions and Deductions:

tit. 8 § 4500 Fraternal Benefit Societies

Fraternal are exempt from payment of premium taxes.

Credits:

tit. 32 § 5830b Vermont Venture Capital Fund

Insurers are entitled to a tax credit against the premium tax for the taxable year in which a contribution is made and each of the four succeeding taxable years. The amount of credit for each year shall be the lesser of 4% of the taxpayer's contribution or 50% of the taxpayer's tax liability for that taxable year prior to the allowance of this credit, provided that the aggregate credit allowable does not exceed 20% of the taxpayer's contribution to the initial \$7.150 million capitalization of the Vermont venture capital fund.

tit. 32 § 5830c Charitable Investments in Housing

Insurers are entitled to a tax credit for a charitable investment in an eligible housing charity approved by the commissioner of housing and community affairs for credit against the premium tax for any year in which a charitable investment is made and for each year thereafter until the principle is repaid, or the investment is transferred, or the taxpayer is notified that the principle is not likely to be repaid, or until the end of the year in which the housing charity ceases to be eligible.

The amount of the credit shall be equal to the difference between the net income that would have been received by the taxpayer at the charitable threshold rate during the taxable year and the actual net income received by or credited to the taxpayer from a charitable investment in an eligible housing charity. However, the credit shall not exceed three percent of the average outstanding principal balance of the investment during the taxable year.

Credits (cont.)

→ tit. 32 § 5930cc Downtown and Village Center Program Tax Credit

A qualified applicant of a qualified historic rehabilitation project shall be entitled to a tax credit of 10% against insurance premiums tax liability for rehabilitation expenditures.

A qualified applicant of a qualified façade improvement project shall be entitled to a tax credit of 25% of qualified expenditures up to a maximum tax credit of \$25,000 against insurance premiums tax liability.

A qualified applicant of a qualified code improvement project shall be entitled to a tax credit of 50% of qualified expenditures up to a maximum tax credit of \$12,000 for installation or improvement of a platform lift, a maximum credit of \$60,000 for the installation or improvement of a limited use/limited application elevator, a maximum tax credit of \$75,000 for installation or improvement of an elevator, a maximum tax credit of \$50,000 for installation or improvement of a sprinkler system, a maximum tax credit for \$50,000 for the combined costs of all other qualified code improvements.

Effective 7/1/2022, the qualified applicant of a qualified flood mitigation project shall be entitled to a tax credit of 50% of qualified expenditures up to a maximum tax credit of \$75,000 against insurance premiums tax liability.

tit. 8 § 4167 Life and Health Guaranty Association

May offset assessments at a rate of 20% per year for five years beginning the year after assessment paid.

Payment Due Dates:

tit. 32 § 8553

Return due on or before last day of Feb. If premium tax is expected to be \$500 or more, pay quarterly estimates due on or before the last day of the second calendar month following quarters ending Mar., June, Sept. and Dec. The Dec. quarter shall be filed and paid on the premium tax return.

Penalties:

tit. 32 § 3202(b)(1)

If the return is not filed within 60 days after the date prescribed therefor, there shall be assessed a minimum penalty of \$50 regardless of whether there is a tax liability.

Extensions:

tit. 32 §§ 5873; 5868

For good cause tax commissioner may grant extension. Interest compounds at rate of 1% per month from time tax liability originally required to be paid until time of payment.

Retaliatory Law:

tit. 8 § 3367

When fees, fines, penalties, deposits, etc., imposed on a Vermont insurer are in excess of those Vermont would impose on a similar insurer, retaliation will occur.

tit. 32 § 8555

When taxes imposed by another state on Vermont insurers exceed those Vermont charges foreign insurers, retaliation will occur.

FEES

There is retaliation on form filing fees, annual statement filing fees, and the state does retaliate even if Vermont does not have a fee. tit. 8 § 3367.

→ Insurers' Fees:

tit. 8 §§ 3361; 3836; 4484; 3634a; 6002; tit. 18 § 9417; Reg. I-2021-01
[Fees in italics in effect 7/1/2022.]

License:

| | |
|---|------------|
| Application for certificate of authority | \$200 |
| License fee (new or renewal) | 300 |
| License and renewal for fraternal benefit society | 300 |
| Accredited Reinsurer Designation | |
| New | 500 |
| Renewal | 200 |
| Life Settlement Providers | |
| Application fee | 50 |
| License fee (new or biennial renewal) | 400 |
| <i>Third party administrators:</i> | |
| <i>License and triennial renewal (due on or before June 30)</i> | <i>600</i> |
| Captive Insurance | |
| Application fee | 500 |
| License renewal fee | 500 |

tit. 8 §§ 3541; 4062a; 4108; 4109; 4201a; 4480; 4481; 4515a; 4587; 4688a

Life and property & casualty forms and rates:

| | |
|---|-----|
| Forms, rates, rule or any combination, per filing | 50 |
| Filing of policy forms | 50 |
| Filing of rates | 50 |
| Filing by advisory organization | 150 |

Health forms and rates:

| | |
|------------------------------|-----|
| Filing of policy forms | 150 |
| Filing of rates | 150 |

Insurers’ Fees (cont.)

tit. 8 § 4800

Service of process:

For agents..... \$25

tit. 8 §§ 3314; 4494; 5102

Annual statement filing:

Fraternal..... 20

Insurers and Reinsurers..... 100

HMOs..... 100

tit. 8 §§ 4798; 4800

Producer appointment:

Biennial renewal on June 1, odd year 120

Producer Licensing Fees:

tit. 8 §§ 4800; 4488; 4791; 4813a(1); 4836

Vermont is a retaliatory state for license fees for nonresidents.

Individual and producer licensing:

Producer’s license, biennial renewal on odd year..... 30

Limited lines producer license, biennial renewal on odd year..... 30

Adjuster’s license, biennial renewal on even year..... 120

Public adjuster’s license, biennial renewal on even year..... 200

Consultant’s license, biennial renewal on even year 200

Surplus lines brokers license, biennial renewal on even year..... 400

Appraiser license, biennial renewal on even year..... 120

Business entities:

License and biennial renewal on odd year..... 30

Limited lines business entity producer license, biennial renewal on odd year 150

Managing general agents:

License and biennial renewal on odd year..... 300

Reinsurance intermediaries:

License and biennial renewal on even year 200

Life settlement brokers:

License and biennial renewal on even year 100

DEPOSITS

tit. 8 §§ 3503; 5102b

Security deposits held by the Vermont State Treasurer are required for insurers operating in the State as deemed necessary. Specific requirements apply to HMO's operating in the State.

→ CONTACT PERSON

→ Tax Department

Cortney Diego: (802) 828-2865; cortney.diego@vermont.gov

Insurance Department—Producer Licensing

Calley Rock: (802) 828-2370; calley.rock@vermont.gov

Insurance Department—Director of Company Licensing & Examinations

Karen Ducharme: (802) 828-1959; karen.ducharme@vermont.gov

Insurance Department—Company Licensing

Paige Coolbeth: (802) 828-2470; paige.coolbeth@vermont.gov

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TERRITORY OF THE VIRGIN ISLANDS

→ **Arrow indicates an update for 20212**

PREMIUM TAX

Premium Tax Base:

V.I. Code Ann. tit. 22 § 603

Gross receipts, less return premiums and reinsurance premiums on business received from authorized insurers.

Tax Rate:

tit. 22 § 603

5%

Other Taxes and Assessments:

None specified

Exclusions and Deductions:

Annuities

Credits:

None specified

Payment Due Dates:

tit. 22 § 603

On or before first day of Feb., May, Aug. and Nov. of each year pay tax on gross receipts of prior quarter.

Penalties:

tit. 22 § 604

Failure to pay tax when due shall result in a penalty of \$1,000 or 10% of the taxes due, whichever is greater, plus interest of 12% per year, and shall be prohibited from doing any business in the Virgin Islands until such taxes and penalties are paid, except that the penalty shall be reduced to \$250 or 5% of the taxes due, whichever is greater, in the case of negligence, or, increased to \$5,000 or 15% of taxes due, whichever is greater, in the case of intentional disregard of the law.

Extensions:

No specific provision for extension.

Retaliatory Law:

No provision for retaliation.

FEES

Insurers' Fees:

tit. 22 § 601

Charter documents filing:

| | |
|--|-------|
| Original Articles of Incorporation, bylaws | \$150 |
| Amended Articles of Incorporation | 75 |
| Miscellaneous filing any of such documents in the Office of the Lieutenant Governor..... | 25 |
| Surplus lines approval..... | 600 |
| Recertification..... | 350 |

Certificate of authority:

| | |
|-----------------------------|---------------------|
| Issuance..... | 1100 |
| Renewal..... | 600 |
| Application processing..... | 300 (nonrefundable) |

Annual statement:

| | |
|--|-----|
| Annual statement of domestic insurer (convention form), filing | 250 |
|--|-----|

Quarterly statement:

| | |
|------------------------------------|----|
| Quarterly statement of taxes | 50 |
|------------------------------------|----|

Filing of policy forms:

| | |
|-----------------------------|----|
| Filing of policy forms..... | 20 |
|-----------------------------|----|

Annual report:

| | |
|---------------------------|----|
| To the commissioner | 25 |
|---------------------------|----|

Organization of financing of domestic insurers and affiliated corporations:

| | |
|----------------------------|-----|
| Solicitations permit | 250 |
|----------------------------|-----|

Miscellaneous services:

| | |
|--|----|
| Filing other documents, each | 25 |
| Commissioner's service under seal..... | 50 |

Producer Licensing Fees:

tit. 22 § 601; Bulletin 2003-04; Bulletin 2018-04

Producer’s and solicitor’s licenses:

| | |
|--|-------|
| Resident—issuance | \$400 |
| Resident—renewal | 200 |
| Nonresident—issuance..... | 700 |
| Nonresident—renewal | 400 |
| Filing of appointment of agent for service of process..... | 25 |

Managing general agent:

| | |
|---------------|-----|
| Issuance..... | 850 |
| Renewal..... | 450 |

Adjuster’s license (independent and public):

| | |
|---------------|-----|
| Issuance..... | 500 |
| Renewal..... | 250 |

Emergency Independent Adjuster..... 300

Nonresident public adjuster:

| | |
|----------------|-----|
| Issuance | 500 |
| Renewal | 250 |

Examination for license:

| | |
|------------------------|----|
| Each examination | 50 |
|------------------------|----|

Surplus lines carrier approval:

| | |
|-----------------------|-----|
| Certification..... | 600 |
| Recertification | 350 |

Surplus lines broker:

| | |
|----------------|-----|
| Issuance | 500 |
| Renewal | 500 |

Medical air representatives:

| | |
|----------------|-----|
| Issuance | 150 |
| Renewal | 150 |

DEPOSITS

tit. 22 § 207

Deposit at least \$500,000 guaranty bond, letter of credit or certificate of deposit.

tit. 22 § 1152

Title insurers deposit \$100,000.

CONTACT PERSON

Glendina Matthew: (340) 773-6459 ext. 3107 or (340) 774-7166
Division website: www.ltg.gov.vi

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COMMONWEALTH OF VIRGINIA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Va. Code Ann. § 58.1-2500

Gross amount of all premiums, assessments, dues and fees collected, received or derived, excluding premiums received for reinsurance assumed, without any deduction for dividends paid, or any other deduction except for returned or canceled policies.

§ 58.1-2502

Premiums on workers' compensation insurance (taxed elsewhere) and annuities are exempt from premium tax.

Tax Rate:

§ 58.1-2501

2.25% all except for workers' compensation.

1% industrial sick benefit insurance, domestic nonprofit mutuals and assessment mutuals with less than \$25,000 capital stock.

§ 38.2-5103

Risk retention group subject to taxation on the same basis as a foreign admitted insurer.

Other Taxes and Assessments:

§ 38.2-401 Fire Programs Fund

May assess companies on premiums for fire insurance, miscellaneous property insurance, marine insurance, homeowner's insurance, and farm owner's insurance. Assessment will be 1% of total direct gross premium. \$100 minimum.

§ 38.2-1057 Assessment for Holding Deposits (Safekeeping Deposit Fee)

May assess no more than 0.25% of face value of securities deposited. Collected in Jan. Assessed by the Treasurer of Virginia rather than the Bureau of Insurance. Included in retaliatory calculation.

Other Taxes and Assessments (cont.)

§ 38.2-414 HEAT Assessment

Assessment of all insurers licensed to write motor vehicle insurance at the rate of 0.25% of the direct gross premium income for automobile physical damage insurance other than collision. Assessment goes to the Help Eliminate Automobile Theft (HEAT) Fund. No minimum assessment.

§ 38.2-400 Assessment for Maintenance of Bureau of Insurance

Assessment not exceeding 0.1% direct gross premium is levied for expense of maintaining bureau. Minimum assessment \$300. Assessment rate for 2022 is 0.025%.

§ 38.2-415 Insurance Fraud Investigation Unit Assessment

Each licensed property and casualty insurer shall pay an assessment equal to 0.05% of direct written premium, excluding title insurance, for a fund to reduce losses from insurance fraud.

§ 65.2-1000 Workers' Compensation Administrative Fund

Instead of premium tax, compensation insurers shall pay an amount of 2.5% of premiums into this fund. Collected by workers' compensation commission. Exclude in column B of the retaliatory tax report calculation. The commission shall authorize a credit or refund of taxes in such an amount necessary to maintain a fund balance not exceeding one year's budgeted expenditures.

§ 65.2-1101 Second Injury Fund

Additional tax of 0.25% on compensation insurers; shall be suspended when balance of fund exceeds \$250,000 and resumed when balance in the fund is below \$125,000. Collected by workers' compensation commission. Exclude in column B of the retaliatory tax report calculation.

§ 65.2-1201 Uninsured Employer's Fund

Assess no more than 0.50% tax on premiums for workers' compensation to fund program in addition to other taxes on compensation insurance. Collected by workers' compensation commission. Exclude in column B of the retaliatory tax report calculation. At the end of any calendar year in which the Uninsured Employer's Fund has to its credit a sum in excess of the next year's budgeted expenditures, the tax shall be suspended for the ensuing calendar year.

§ 58.1-2501 Health Service Plans, Dental and Optometric Service Plans

Pay tax of 2.25% on gross subscriber fee income.

Other Taxes and Assessments (cont.)

§ 38.2-2806 Medical Malpractice Joint Underwriting Association

All insurers writing liability insurance on a direct basis may be assessed for the losses of the JUA.

§ 38.2-401.1 Flood Prevention and Protection Assistance Fund Assessment

Assessment of all insurers licensed to write flood insurance at rate of 1% of direct gross premium income for flood insurance. Premiums for policies written pursuant to national flood insurance act may be deducted. \$100 minimum.

§ 38.2-1606 Property and Casualty Guaranty Association

May assess member insurers no more than 2% net direct written premium for types of insurance in account with deficiency.

§ 38.2-1705 Life and Health Guaranty Association

May assess member insurers for administrative expenses on non-pro-rata basis, not to exceed \$500, or on a pro rata basis and credited against insolvency assessments. May also assess no more than 2% of premiums received on business in lines covered by account with the deficiency.

Exclusions and Deductions:

§ 58.1-2502 Exemption from Premium Tax

HMOs, workers' compensation group self-insurance associations, fraternal and certain mutual assessment fire insurance companies (defined by statute) pay no premium tax.

Crop Insurance

Tax and assessment reports should exclude federally reinsured multi-peril crop insurance premiums.

Flood Insurance

Tax and assessment reports should exclude federally subsidized flood insurance premium written pursuant to the National Flood Insurance Act of 1968.

Credits:

§ 58.1-2510 Tax Credit for Retaliatory Costs to Other States

A qualified Virginia domestic company is allowed a credit against the premium tax equal to the costs incurred as a result of retaliation by other states with lower rates and other costs. Credit is to be taken after all other applicable credits. Any credit not used may be carried forward to future taxable years. Unused credits not exceeding \$800,000 or \$7,000,000 depending on criteria, per company or affiliated group shall be refunded upon application. The amount of the tax credit is limited to 60% of the retaliatory costs paid to other states except for those qualified companies or groups that received a credit for taxable year 2000.

§ 58.1-439.21 Neighborhood Assistance Credit

A business shall be eligible for a credit against taxes in an amount equal to 65% of the value of the money, property, professional services, and contracting services donated by the business during its taxable year to neighborhood organizations for approved programs. No tax credit of less than \$616 shall be granted for any donation. Any tax credit not usable for the taxable year the donation was made may be carried over for the next five succeeding taxable years.

§ 58.1-339.2 Historic Rehabilitation Tax Credit

Any company incurring eligible expenses in the rehabilitation of a certified historic structure may take a credit against premium tax of 25% of the eligible expenses. Eligible expenses are determined through application to the Virginia Department of Historic Resources, which will issue a certificate that must be filed with the tax report. For taxable years beginning on and after Jan. 1, 2017, the amount of the credit that may be claimed by each taxpayer, including amounts carried over from prior taxable years, shall not exceed \$5 million in any taxable year.

§ 58.1-439.26 Education Improvement Scholarships Tax Credit

A business shall be eligible for a credit against taxes in an amount equal to 65% of the value of the monetary or marketable securities donation made by the person to a scholarship foundation included on the list published annually by the Department of Education. Tax credits shall be issued in accordance with procedures established by the Department of Education. Unused tax credits may carry over for the next five succeeding taxable years or until the total amount of credit has been taken, whichever is sooner.

§ 58.1-439 Major Business Facility Job Tax Credit

Any company engaged in a qualified industry in Virginia that has established or expanded a “major business facility,” as certified by the Department of Taxation, by creating at least 50 jobs (threshold amount) for qualified full-time employees within a continuous twelve-month period ending within the company’s taxable year may earn a credit against its premium license tax. The credit earned is \$1,000 per employee over the threshold amount. The credit allowed is 50% annually for two years, not to exceed the tax imposed. Unused credits may be carried over for the next ten succeeding taxable years.

Credits (cont.)

→ § 58.1-439.6:1 Worker Training Tax Credit

For taxable years beginning on and after January 1, 2019, but prior to July 1, 2025, a business shall be allowed a credit against the taxes imposed by Articles 2 (§ 58.1-320 et seq.), 6 (§ 58.1-360 et seq.), and 10 (§ 58.1-400 et seq.) of Chapter 3; Chapter 12 (§ 58.1-1200 et seq.); Article 1 (§ 58.1-2500 et seq.) of Chapter 25; or Article 2 (§ 58.1-2620 et seq.) of Chapter 26 in an amount equal to 35 percent of expenses incurred by the business during the taxable year for eligible worker training. If the recipient of the training is a qualified employee, the credit shall not exceed \$500 per qualified employee annually. If the recipient of the training is a non-highly compensated worker, the credit shall not exceed \$1,000 per non-highly compensated worker annually.

§ 59.1-280 Enterprise Zone Business Tax Credit

Tax credits are available for entities reaching target employment growth within an enterprise zone through creation or expansion of a qualified large or small business firm making qualified zone investments. Any business tax credit not usable may not be applied to future tax year.

§ 38.2-1709 Life and Health Guaranty Association

Assessments shall be amortized over 10 calendar years at a rate of 10% of the amount of certificate of contribution, beginning the year after the contribution was paid.

§ 38.2-1611.1 Property and Casualty Guaranty Association

Assessments shall be amortized over 10 calendar years at a rate of 10% of the amount of certificate of contribution, beginning year after certificate is issued.

§ 38.2-2806 Medical Malpractice Joint Underwriting Association

Insurer may deduct share of deficit assessment from future premium tax. Amount shall be apportioned by commission so that the amount of each member's premium tax deduction is 10% of the assessment paid by the member for each of the ten calendar years following payment of the assessment.

Payment Due Dates:

§§ 58.1-2506; 58.1-2520 to 58.1-2523; 58.1-2528

Report due Mar. 1. If tax expected to exceed \$3,000, pay estimates. If meet requirement by April 15, pay 25% of estimated tax on April 15, June 15, Sept. 15, Dec. 15. If meet requirement in June, pay 33.33% estimated tax on June 15, 33.33% on Sept. 15, 33.33% on Dec. 15. If first meet requirement by Sept. 15, pay 50% estimated tax Sept. 15 and 50% Dec. 15. If first meet requirement Dec. 15, pay entire estimate by that date. Estimates based on last year's tax liability, or 90% current year's annualized liability cannot be charged an addition to the tax for the underpayment of an installment.

Penalties:

§§ 58.1-2507; 38.2-406; 58.1-15

Failure to file yearly tax and assessment reports results in penalty of \$50 a day for each day's failure to file report. Failure to pay tax at time required results in addition of 10% penalty and interest at the rate established by the IRS for the appropriate period plus 2%.

Amended Returns:

If it becomes necessary to amend a previously filed Virginia return, prepare a new Form 800 with the corrected figures and with any relevant attachments. Check the "Amended Return" box on the front of Form 800. File the amended return within three years from the due date of the original return. *See* § 58.1-1823.

Extensions:

No extension allowed for yearly return.

§ 58.1-2525

The Department may grant reasonable extension on estimated payments only; however, interest accrues. Underpayment rates for Virginia taxes are 2% higher than the corresponding federal rates.

Retaliatory Law:

§ 38.2-1026

When a Virginia domestic insurer or agent is subject to costs for deposits, taxes, fines, penalties or fees, etc., greater in the aggregate than those imposed on insurers or agents by Virginia, retaliation will occur. Every year the Department computes average additional charges for use on the tax return where municipalities charge fees and taxes.

FEES

Fees paid by companies are included in the aggregate in the retaliatory tax computation. Insurers aggregate all taxes and fees on their premium tax return. Miscellaneous fees are not included in the computation.

Insurers' Fees:

§§ 13.1-775.1; 13.1-936.1; 38.2-1833; 12.1-21.1; 12.1-21.2

Annual registration fee for stock corporations:

| | |
|---|--|
| 5,000 shares or less | \$100 |
| More than 5,000 shares (\$1,700 max) | 100 plus 30 per each additional 5,000 shares |
| Annual registration fee for non-stock companies | 25 |

Quarterly appointment fee for agents (paid by insurer):

| | |
|------------------------------------|----|
| Fee (varies from \$7 to \$25)..... | 10 |
|------------------------------------|----|

Miscellaneous services:

| | |
|---|---------------|
| Copy of any document | 0.50 per page |
| Affixing seal | 3 |
| Access to commissioner's computer records | actual cost |
| Certifying records on appeal..... | 50 |

→ Producer Licensing Fees:

§§ 38.2-1348; 38.2-1359; 38.2-1819; 38.2-1840; Department fee

Agent:

| | |
|---|----|
| License (varies from \$15 to \$30)..... | 10 |
|---|----|

Consultant:

| | |
|----------------------|----|
| Application fee..... | 15 |
|----------------------|----|

Reinsurance intermediaries:

| | |
|---|-----|
| Biennial renewal (varies from \$500 to \$1,000) | 500 |
|---|-----|

Managing general agents:

| | |
|---|-----|
| Biennial renewal (varies from \$500 to \$1,000) | 500 |
|---|-----|

Paid by individual. No retaliation on producers' fees.

DEPOSITS

§§ 38.2-1045; 38.2-1049; 38.2-4310.1

Commission shall require deposit of between \$50,000 and \$500,000 of all insurers. May increase whenever financial condition of insurer warrants. May accept certificate from another state holding securities worth at least \$500,000. No deposit required of any mutual assessment property & casualty company, fraternal benefit society or any insurer transacting only ocean marine business in Virginia. HMOs require minimum initial deposit of \$300,000 and may require additional deposit.

→ CONTACT PERSON

Bureau of Insurance—Assessments

Darien Carter: (804) 371-9333; darien.carter@scc.virginia.gov

→ Department of Taxation—Premium License Tax

Danielle Thurman: (804) 404-4163; danielle.thurman@tax.virginia.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

WASHINGTON

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Wash. Rev. Code §§ 48.14.020 to 48.14.021

Premiums collected or received minus reductions in premiums and returned premiums. For tax purposes, the reporting of premiums shall be on a written basis or on a paid-for basis consistent with the basis required by the annual statement. Ocean marine and foreign trade insurance, as well as annuity considerations, are not included. There is no premium tax on policies or contracts insured in connection with a qualified retirement plan so exempted or qualified under I.R.C. §§ 401, 403(b), 404, 408(b), or 501(a).

Tax Rate:

§§ 48.14.020; 48.14.0201

Authorized insurers (except title insurers and registered eligible captive insurers) and “taxpayers” (health maintenance organizations, health care service contractors and self-funded multiple employer welfare arrangements) – 2%.

§ 48.201.040

Registered eligible captive insurers – 2%

§§ 48.92.040(3)(a); 48.92.095

Risk retention groups are taxed on the same basis as a foreign admitted insurer. Taxes on premiums paid for coverage by purchasing groups or any members of the purchasing groups are imposed on the same basis as a foreign admitted insurer, if taxes are not paid by the insurer.

§ 48.15.120

Surplus line brokers are taxed on the same basis as a foreign admitted insurer.

[Note: Please see the Surplus Lines chart for further information.]

§ 48.29.150

Title insurers and their property are taxed in accordance with Washington’s general laws relating to taxation.

Other Taxes and Assessments:

§ 48.14.020 Ocean Marine and Foreign Trade Insurance

Pay tax of 0.95% of gross underwriting profit instead of premium tax.

→ §§ 48.02.190; 48.14.040(3) Operating Costs of Office

All insurers, except fraternal and captives, are assessed for the costs of operating the office of insurance commissioner. The regulatory surcharge must not exceed 0.125% of receipts. Minimum regulatory surcharge is \$1,000. Due July 15. The regulatory surcharge is not considered a premium for any purpose, including the premium tax or agents' commission. The regulatory surcharge is not to be included in the calculation of any retaliatory taxes, licenses, fees, deposits, or other obligations or prohibitions.

All insurers, except fraternal and captives, are assessed for the costs of operating the insurance fraud program. The fraud surcharge must not exceed 0.01% of receipts. Minimum fraud surcharge is \$100. Due July 15. The fraud surcharge is not considered a premium for any purpose, including the premium tax or agents' commission. The fraud surcharge is not to be included in the calculation of any retaliatory taxes, licenses, fees, deposits, or other obligations or prohibitions.

§ 48.41.090 Health Insurance Pool

May assess commercial insurers, health care service contractors, HMOs, and self-funded multiple employer welfare arrangements for expenses of pool. Health plans serving medical care services program clients are exempted.

§ 48.32.060 Property and Casualty Guaranty Association

May assess member insurers no more than 2% net direct written premiums for kinds of insurance in account with deficiency.

§ 48.32A.085 Life and Health Guaranty Association

May assess member insurers up to \$150 for administrative expenses and no more than 2% average premiums for last three calendar years for kinds of insurance in account with deficiency.

§§ 48.14.020(4) to 48.14.0201(7); 48.14.080 Preemption

The state preempts the field of imposing excise or privilege taxes upon taxpayers (HMOs, HCSCs, and MEWAs), insurers or their agents, other than title insurers, by any county, city, town or other municipal subdivision on premiums and payments for health benefit plans. Premium tax is in lieu of all other taxes, except taxes on real and tangible personal property, excise tax on the sale, purchase or use of such property, and the tax imposed in § 82.04.260(10).

Exclusions and Deductions:

§ 48.36A.240 Fraternal Benefit Societies

Fraternal are exempt from payment of premium tax.

7 C.F.R. §§ 400.351 and 400.352 Crop Insurance

Premiums associated with policies reinsured by the Federal Crop Insurance Corporation are exempt from premium tax.

5 U.S.C. § 8714(c)(1) Employees' Life Insurance Fund

Premiums received for group life and accidental death and dismemberment provided to federal employees and current and past members of the military from the employees' life insurance fund, are exempt from the premium tax.

5 U.S.C. Ch. 89 (Federal Employees Health Insurance); 5 U.S.C. Ch. 89A (Federal Employees Enhanced Dental Benefits); 5 U.S.C. Ch. 89B (Federal Employees Enhanced Vision Benefits)

Premiums received for health insurance benefits provided to federal employees from the federal employees' health benefits act fund are exempt from the premium tax.

§ 48.14.020(2)(a) Dentistry

Amounts received by any life and disability insurer for health care services included within the definition of practice of dentistry except amounts received for pediatric oral services that qualify as coverage for the minimum essential coverage requirement under P.L. 111-148 (2010), as amended, and for stand-alone family dental plans, only when offered in the individual market, or to a small group, are exempt from premium tax.

§ 48.14.022 Health Insurance Pool Deduction

Taxpayers, as defined in § 48.14.0201, may deduct from taxable premiums the amount of any assessment against the taxpayer made for the health insurance pool under §§ 48.41.010 through 48.14.210. Any portion of the deduction allowed which cannot be deducted in a tax year without reduction taxable premiums below zero may be carried forward and deducted in successive tax years until the deduction is exhausted.

§ 48.14.0201(6)(a) Medicare—Title XVIII

Amounts received by any health maintenance organization or health care service contractor from the United States government as prepayments for health care services provided under Title XVIII (Medicare) are exempt from tax.

Exclusions and Deductions (cont.)

§ 48.14.0201(6)(b) Medical Care Services Program, Washington Basic Health Plan, Medicaid Program

Amounts received by any taxpayer (HMO, health care service contractor, or self-funded MEWA) from the state of Washington as prepayments for health care services provided under:

- (i) The medical care services program as provided in § 74.09.035 are exempt.
- (ii) The Washington basic health plan on behalf of subsidized enrollees as provided in Ch. 70.47 are exempt. (Note: Non-subsidized premiums are not exempt.)

§ 48.14.0201(6)(c) Dentistry

Amounts received by any health care service contractor or any health maintenance organization as prepayment for health care services included within the definition of the practice of dentistry except amounts received for pediatric oral services that qualify as coverage for the minimum essential coverage requirement under P.L. 111-148 (2010), as amended, and for stand-alone family dental plans, only when offered in the individual market, or to a small group, are exempt from premium tax.

Credits:

§ 48.32.145 Property and Casualty Guaranty Association

May offset assessment against premium tax at a rate of 20% per year over five consecutive years beginning the year following the calendar year in which the assessment was paid. Whenever an assessment or uncredited amount is less than \$1,000, the entire amount may be taken as a credit. Assessment credits cannot take the tax liability below zero.

§ 48.32A.125 Life and Health Guaranty Association

May offset assessment made for an insolvent insurer against premium tax at a rate of 20% per year for five years beginning the year following the year the assessment was paid. Whenever an assessment or uncredited amount is less than \$1,000, the entire amount may be taken as a credit. Assessment credits cannot take the tax liability below zero.

Payment Due Dates:

§ 48.14.020

Final calendar year tax return and payment due Mar. 1.

Payment Due Dates (cont.)

§§ 48.14.025; 48.14.0201(3)

If prior year's tax liability is at least \$400, insurers, except for registered eligible captive insurers, and taxpayers must make prepayments according to the following schedule: June 15, 45%; Sept. 15, 25%; Dec. 15, 25%; based on prior year's tax obligation.

Invoices are accessed via the Filing and Payment Center:
<https://fortress.wa.gov/oic/online services/Login.aspx?module=tax>.

Penalties and Interest:

§ 48.14.060

Any insurer or taxpayer, as defined in § 48.14.0201, failing to file its tax statement and to pay the specified tax or prepayment of tax or premiums and prepayments for health care services by last day of the month in which the tax becomes due, shall be assessed a penalty of 5% of the tax due. If not paid within 45 days after the due date, pay a penalty of 10% of the tax due. If not paid within 60 days of the due date, pay a penalty of 20% of the tax due. The certificate of authority of the delinquent insurer may be revoked and not reissued until all taxes, prepayments of tax, and penalties incurred are fully paid and the insurer has otherwise qualified for the certificate of authority.

In addition to the penalties identified above, interest will accrue on the amount of the unpaid tax or prepayment at the maximum legal rate of interest permitted under § 19.52.020 commencing 61 days after the tax is due until paid.

Extensions:

No provision for extension in state law.

Retaliatory Law:

§ 48.14.040

When taxes, licenses, fees, deposits, etc., in the aggregate charged Washington insurers are higher than the taxes, licenses, fees, deposits, etc., which Washington imposes on similar foreign insurers, retaliation will occur. The regulatory and fraud surcharge imposed by § 48.02.190 is not included in the retaliatory calculation because of the insurer's ability to recoup the cost.

FEES

When a tax return is required, all taxes and fees are payable at the same time and are payable in the aggregate on the tax return.

Insurers' Fees:

§§ 48.14.010; 48.36A.260; 48.36A.270; 48.38.010; 48.102.011; 48.110.030; 48.110.040; 48.110.055; 48.111.020; 48.155.020; 48.160.020; 48.201.030; Wash. Admin. Code (WAC) 284-97-020; 284-180-210

Charter documents:

Original charter documents, bylaws, or record of organization of insurers, or certified copies thereof, required to be filed..... \$250
 Amended charter documents, or certified copy thereof, other than amendments of bylaws 10

Certificate of authority:

Issuance..... 25
 Renewal 25

Annual statement:

Annual statement of insurer, filing 20

Organization or financing:

Domestic insurers and affiliated corporations:
 Application for solicitation permit, filing..... 100
 Issuance of solicitation permit..... 25

Captive insurer:

Registration fee 2,500
 Renewal of registration 2,500

Health care benefit manager:

Registration fee 200
 Renewal of registration proportional share of costs based on business income, minimum 500

Fraternal:

Issuing original license 25
 Renewal of license 25
 Filing annual statement 10

Insurers’ Fees (cont.)

§§ 48.14.010; 48.36A.260; 48.36A.270; 48.38.010; 48.102.011; 48.110.030; 48.110.040; 48.110.055;
 48.111.020; 48.155.020; 48.160.020; 48.201.030; Wash. Admin. Code (WAC) 284-97-020;
 284-180-210 (cont.)

Service contract providers (home heating fuel service contract providers, protection product guarantee providers, utility service contract providers & vehicle service contract providers):

| | |
|---|-------|
| Application..... | \$250 |
| Renewal of registration | 200 |
| Annual report | 20 |
| Protection product guarantee provider application | 250 |
| Renewal of registration | 250 |
| Home heating fuel service contract provider application | 100 |
| Renewal of registration | 25 |

Life settlement provider:

| | |
|------------------------|-----|
| Original license | 250 |
| Renewal | 250 |

Healthcare discount plan organization:

| | |
|------------------------|-----|
| Original license | 250 |
| Renewal | 200 |

(Non-Insurance) Guaranteed Asset Program (GAP) waiver issuers:

| | |
|----------------------------|-----|
| Original registration..... | 250 |
|----------------------------|-----|

Charitable gift annuity issuers:

| | |
|------------------------|----|
| Annual reporting | 25 |
| Plus per annuity | 5 |

Rating organization for title insurance:

| | |
|------------------------|-----|
| Original license | 250 |
|------------------------|-----|

Miscellaneous services:

| | |
|--|---|
| Filing other documents | 5 |
| Commissioner’s certificate under seal | 5 |
| Copy of documents filed in the commissioner’s office, reasonable charge therefore as determined by the commissioner. | |

Producer Licensing Fees:

§§ 48.14.010; 48.15.070(14); 48.15.070(15); 48.17.170(6); 48.17.170(7); 48.56.030; 48.102.021;
 WAC 284-17B-015; 284-17B-025; 284-97-030; 284-17-035; 284-17-046

Producers' licenses:

| | |
|---|--------|
| License application | \$55** |
| License renewal, every two years | 55 |
| If renewal received 1–30 days late | 82.50 |
| If renewal received 31–60 days late | 110 |
| If renewal received after 60 days, license must be reinstated | 165 |
| Limited license application and renewal, every two years | 20** |
| If renewal received 1–30 days late | 30 |
| If renewal received 31–60 days late | 40 |
| If renewal received after 60 days, license must be reinstated | 60 |

Surplus line broker:

| | |
|---|-------|
| License application | 200** |
| License renewal, every two years | 200 |
| If renewal received 1–30 days late | 300 |
| If renewal received 31–60 days late | 400 |
| If renewal received after 60 days, license must be reinstated | 600 |

Adjusters' licenses (Independent, Public or Crop):

| | |
|---|------|
| Adjuster application | 50** |
| Renewal, every two years | 50 |
| If renewal received 1–30 days late | 75 |
| If renewal received 31–60 days late | 100 |
| If renewal received after 60 days, license must be reinstated | 150 |

Appointment/affiliations:

| | |
|--|----|
| Initial appointment or affiliation | 20 |
| Renewal, every two years | 20 |

Managing general agent:

| | |
|------------------------------------|-----|
| Appointment, every two years | 200 |
|------------------------------------|-----|

Reinsurance intermediary license:

| | |
|---|-----|
| Reinsurance intermediary—broker, each year | 50 |
| Reinsurance intermediary—manager, each year | 100 |

Premium finance company:

| | |
|------------------------------------|-----|
| License | 100 |
| Annual renewal (as of May 1) | 100 |

** *Subject to the additional \$5 filing fee.*

Producer Licensing Fees (cont.)

§§ 48.14.010; 48.15.070(14); 48.15.070(15); 48.17.170(6); 48.17.170(7); 48.56.030; 48.102.021;
 WAC 284-17B-015; 284-17B-025; 284-97-030; 284-17-035; 284-17-046 (cont.)

Specialty producer license:

| | |
|--|-------|
| Original license | \$500 |
| Annual renewal (prior to July 1 of each year) | 250 |
| If renewal received 1–30 days late | 375 |
| If renewal received 31–60 days late | 500 |
| If renewal received after 60 days, license must be reinstated. | |
| Appointment, every two years | 20 |
| Affiliation..... | 20 |

Rental car agent:

| | |
|---|--------|
| *Original license, for business with under 50 employees..... | 130 |
| *Original license, for business with 50 or more employees | 375 |
| *Appointment, for each underwriting insurer..... | 20 |
| | |
| *Renewal, every two years, under 50 employees | 130 |
| *If renewal received 1–30 days late | 195 |
| *If renewal received 31–60 days late | 260 |
| If renewal received after 60 days, license, appointment and affiliation must be reinstated. | |
| *Renewal, every two years, 50 or more employees..... | 375 |
| *If renewal received 1–30 days late | 562.50 |
| *If renewal received 31–60 days late | 749.75 |
| If renewal received after 60 days, license, appointment and affiliation must be reinstated. | |

Life settlement broker:

| | |
|---|-----|
| Original license | 100 |
| Renewal, every two years | 100 |
| If renewal received 1–30 days late | 150 |
| If renewal received 31–60 days late | 200 |
| If renewal received after 60 days, license must be reinstated | 300 |
| Affiliation, every two years | 20 |

**Plus \$35 location fee for each additional location.*

Producer Licensing Fees (cont.)

§§ 48.14.010; 48.15.070(14); 48.15.070(15); 48.17.170(6); 48.17.170(7); 48.56.030; 48.102.021;
WAC 284-17B-015; 284-17B-025; 284-97-030; 284-17-035; 284-17-046 (cont.)

Self-service storage producer:

| | |
|---|-------|
| *Original license, for businesses with under 50 employees | \$130 |
| *Original license, for businesses with 50 or more employees | 375 |
| *Renewal, every two years, for businesses with under 50 employee | 130 |
| *Renewal, every two years, for business with 50 or more employees | 375 |
| *Appointment, every two years | 20 |

**Plus \$35 location fee for each additional location.*

Fees are paid by either the individuals or the company.

DEPOSITS

§ 48.05.080 Foreign insurers—Deposit

Foreign insurers shall make a deposit with the commissioner or indicate they have made one in another state by providing certification by the appropriate public official having supervision over the insurers that a like deposit by the insurer is held in public custody in another state in an equal or greater amount than is required by this state.

§ 48.16.010 Deposits of insurers—In General

No deposit is required for domestic insurers. However, domestic, foreign, or alien insurers may make deposits with the commissioner in the amount required to be made by the laws of other states as a prerequisite for authority to transact insurance in those other states.

→ **CONTACT PERSON**

Premium Taxes

Steven Moore: (360) 725-7031; taxes@oic.wa.gov

→ Company Licensing & Compliance

(360) 725-7193; clc@oic.wa.gov

Holding Company Information

Ron Pastuch: (360) 725-7211; Ron.Pastuch@oic.wa.gov

Producers Licensing & Oversight

Jeff Baughman: (360) 725-7156; Jeff.Baughman@oic.wa.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

WEST VIRGINIA

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

W. Va. Code § 33-43-3(i)

“Taxable premium” means the amount of gross direct premiums, annuity considerations, or dividends on participating policies applied in reduction of premiums less premiums returned to policyholders due to cancellation of policies.

Tax Rate:

§§ 33-3-14; 33-3-14a Premium Tax

2% + 1% for a total base rate of 3% on all lines except annuities.

§ 33-3-14d Additional Premium Tax

1% additional premium tax on all fire and casualty policies.

§ 33-3-15 Annuity Tax

For the taxable years beginning on or after January 1, 2021, the tax imposed by this section is discontinued.

1% tax on annuity considerations. Effective tax year 2001, an insurer may elect to consider annuity considerations to be collected and received upon receipt or upon actual application to the purchase of annuities. Election must be in writing to the insurance commissioner 90 days after the effective date of this enactment (2001) or 90 days after it enters the state. Thereafter the insurer may not change its election without the consent of the insurance commissioner.

§ 33-32-5 Risk Retention Groups

Base rate for risk retention groups is 2% plus the additional premium tax of 1% levied by § 33-3-14a and the 1% additional premium tax on fire and casualty insurance levied by § 33-3-14d. *See also* § 33-3-33 (Surcharge on Fire and Casualty Policies).

§ 33-3-17 Minimum Tax

The aggregate amount of all taxes paid may not be less than \$200.

Other Taxes and Assessments:

§ 23-2C-3(f) Workers Compensation

Workers' Compensation direct written premiums are subject to private market regulatory surcharges except for the following coverages which falls under § 33-1-1: Employers Excess Liability Workers' Compensation premiums; United States Longshore and Harbor Workers' Compensation Act (USL&H); Federal Employers Liability Act (FELA); Admiralty; Jones Act, maintenance and cure, and seaworthiness; and Federal Coal Mine Health and Safety Act (GBL).

§ 33-2-9 Examination Assessment

All property and casualty insurers may be assessed up to \$5,000 per year on or before July 1. All other insurers may be assessed up to \$800 per year on or before July 1. The commissioner may increase the assessment by an amount he or she shall determine. The commissioner may levy an additional assessment of \$250 in any one year. The maximum assessment for property and casualty insurers, including any additional assessment levied, may not exceed \$5,250 per insurer in one year. The maximum assessment for all other insurers, including any additional assessment levied, may not exceed \$1,500 per insurer in one year.

§ 29-3-22 Fire Marshal Tax

One half of one percent (0.5%) of the taxable premiums of the companies on insurance against the hazard of fire and on that portion of all other taxable premiums reasonably applicable to insurance against the hazard of fire which are included in other coverages.

§ 33-3-14d Firemen's Pensions and Volunteer Fire Departments

Levies 1% additional premium tax on fire insurance and casualty insurance for revenue to fund municipal policemen's and firemen's pension and relief funds, provide additional revenue for volunteer fire departments and provide additional funds to the teachers' retirement system reserve fund.

§ 33-3-33 Surcharge on Fire and Casualty Policies

0.55% on all fire and casualty policies.

§ 33-26-8 Property and Liability Guaranty Association

May assess member insurers no more than 2% net direct written premiums for kind of insurance in account with deficiency.

§ 33-26A-9 Life and Health Guaranty Association

May assess member insurers no more than 2% of the average premiums for the past three years for types of insurance in account or subaccount with deficiency, plus no more than \$150 per insurer for administrative costs.

Other Taxes and Assessments (cont.)

§ 8-13-4 Municipal Tax

Municipalities may charge a license fee equal to the state license fee. Department does not have information on which municipalities levy a tax or on the rates. Tax may not exceed \$20.

Exclusions and Deductions:

§ 33-23-29 Fraternal Benefit Societies

Fraternal are exempt from payment of premium tax.

§ 33-24-4 Nonprofit Service Corporation

Nonprofit hospital, medical and dental service corporations are exempt from premium tax.

Crop Insurance:

West Virginia will not tax premiums on federally reinsured multi-peril crop insurance.

Bail Bonds:

Bail bonds are taxable if they are reported as premium on the State Page. If they are not premium, then they are not to be included on the State Page.

Credits:

§ 33-3-14b Credit for Domestic Investments

An insurer may reduce its premium tax to zero with a credit for 100% of the tax if 25% of its admitted assets are invested in West Virginia assets and it meets the following criteria: employs less than 20 full-time employees, has gross direct premiums of less than \$10 million and derives a minimum of 50% of its gross direct premiums to under-served areas of West Virginia.

§§ 11-13J-1 to 11-13J-12 Neighborhood Investment Program

An insurer may receive a credit up to 50% of its contribution to the neighborhood investment program.

Payment Due Dates:

§§ 33-3-14; 33-3-14c; 33-43-6

Taxes are payable quarterly on or before the 25th of month following the end of the quarter (April 25, July 25 and Oct. 25), except 4th quarter taxes are due on or before Mar. 1. The quarterly estimated payments should be based on either 25% of the tax paid the prior year or 25% of 80% of the tax for the current year. The tax payment form is required even if the taxpayer is not required to make an installment payment for that period.

Penalties:

§§ 33-43-7; 33-43-11

Penalty of \$25 per day for late filing. Penalty of 1% of amount due for each day that a portion of the tax liability remains unpaid. Penalties may not exceed 100% of the outstanding tax liability. Also, liable for interest on unpaid liability. Failure to make quarterly payments is considered failure to pay estimated taxes and subjects the taxpayer to penalties. Commissioner may reduce/waive the penalty for excusable neglect.

Extensions:

No specific provision for extension.

Retaliatory Law:

§§ 33-3-16; 33-12B-8

If taxes, fees, fines, penalties, licenses, deposit requirements, etc. imposed on West Virginia insurers, agents or adjusters in the aggregate exceed those imposed by West Virginia on insurers or agents from other states, retaliation will occur. Any tax, license or other obligation imposed by a city, county or other political subdivision shall be deemed to be imposed by the state. The provisions of this section do not apply to ad valorem taxes on real or personal property or to personal income taxes.

FEES

Annual taxes and fees are aggregated on the annual premium tax statement. Fees due at other times of the year relating to individual, nonrecurring filings are considered on a fee-by-fee basis. For those, retaliation occurs when the documents are filed. If no fee is listed for those, a retaliatory fee will be charged.

→ Insurers' Fees:

§§ 33-3-13; 33-2-9; 33-6-34; 33-23-29; 33-25A-22; 33-22-16; Info. Letter 87; W. Va. Code R. 114-34

Admissions:

Filing statements preliminary to admission \$100

License:

Annual fee for each license 200

Annual statement:

Annual statement filing 100
Health maintenance organization 100
Farm mutual 25

Insurers’ Fees (cont.)

§§ 33-3-13; 33-2-9; 33-6-34; 33-23-29; 33-25A-22; 33-22-16; Info. Letter 87; W. Va. Code R. 114-34 (cont.)

Valuations:

| | |
|---|---|
| Valuation of policies of life insurers organized under the laws of this state | 1.5 cents for each \$1,000 of insurance |
| Valuation of policies of life insurers organized under the laws of any other state licensed to transact insurance in this state | reciprocal |
| Certificate of valuation copy of report on certificate of condition of company to be filed in any other state | \$15 |

Flat fee per company, per filing 100
 (Filing – is any form, rate, or rule filing made in one filing in SERFF. § 33-6-34, effective 7/1/2020.)

Risk retention group:

| | |
|--|-----|
| Risk retention group registration | 200 |
| Purchasing group registration | 200 |
| Modification of registration for RRG or PG | 50 |
| Annual statement filing..... | 100 |

Miscellaneous services:

| | |
|--|----|
| Filing any additional paper required by law or furnishing copies thereof | 1 |
| Filing certified copy of articles of incorporation | 50 |
| Filing copy of its charter | 50 |

Fraternal:

| | |
|------------------------------|----|
| License fee | 50 |
| Annual statement filing..... | 25 |

→ Producer Licensing Fees:

§§ 33-12-6; 33-12B-8; 33-12-10; 33-24-4; 33-12C-8; 33-23-2; 33-3-13; 33-12-18; 33-23-29; 33-22-2; 33-34-6; 114 CSR 103
[Fees in italics in effect 7/1/2022.]

Producers’ fees:

| | |
|--|-----|
| Nonprofit service corporation agents license..... | 25 |
| Agent’s license (biennially) | 50 |
| Surplus lines licensee | 200 |
| Adjuster’s license (biennially**) | 50 |
| Business entity | 200 |
| Fraternal agents..... | 50 |
| Farmers’ Mutual Fire Insurance Company agents if a WV resident | 5 |

Company appointment fees:

| | |
|----------------------------------|----|
| Initial appointment..... | 25 |
| Annual appointment renewal | 25 |

Producer Licensing Fees (cont.)

§§ 33-12-6; 33-12B-8; 33-12-10; 33-24-4; 33-12C-8; 33-23-2; 33-3-13; 33-12-18; 33-23-29; 33-22-2; 33-34-6; 114 CSR 103 (cont.)
[Fees in italics in effect 7/1/2022.]

Bail Bondsmen fees:

License (biennial)..... \$200

Miscellaneous services:

Duplicate license..... Free – can print using SBS

Company pays agents’ licensing fees. Use fees above, except adjusters’ license fees and other requirements are retaliatory.

**In addition to the statutory changes made during the 2020 Legislative Session in House Bill 4502, this guidance is based, in part, upon amendments to 114 CSR 2A, 114 CSR 25, and 114 CSR 42.

DEPOSITS

§ 33-3-6

\$100,000 deposit required except foreign insurers may present a certificate that a like deposit is being held in another state.

→ **CONTACT PERSON**

Tax Audit Section: (304) 558-1900

Drema Goolsby, Tax Unit Supervisor: drema.k.goolsby@wv.gov

Michelle Farren, Tax Audit Clerk, Senior: michelle.b.farren@wv.gov

→ Karen Callison, Tax Audit Clerk: karen.l.callison@wv.gov

→ Crystal Proctor, Tax Audit Clerk, Senior: crystal.f.proctor@wv.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state’s insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

WISCONSIN

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Foreign Insurers:

Wis. Stat. § 76.62 Other Than Life

Gross premiums received for direct insurance less return premiums and cancellations and returns from savings on all insurance other than reinsurance.

§ 76.65 Life Insurers

Gross premiums minus dividends paid in cash or applied to premiums. (Payment or application of amounts apportioned must be made before the end of the succeeding calendar year.) Excludes annuities from premium tax base.

Tax Rate:

§ 76.60

0.5% foreign marine insurers (*see* § 76.67 for reciprocity provision)

2.375% foreign fire insurers (*see* § 76.67 for reciprocity provision)

§ 601.93

2% fire insurance dues

§ 76.63

2% foreign casualty insurers (*see* § 76.67 for reciprocity provision)

2% domestic financial guaranty insurers (*see* § 76.67 for reciprocity provision)

§ 76.65

2% foreign life insurers and domestics with greater than \$750 million net insurance in force (*see* § 76.65 for domestic life insurers' income tax provision)

§ 618.43

3% risk retention groups

Other Taxes and Assessments:

§ 76.65 Domestic Life Insurers' Income Tax

If net insurance in force is less than \$750 million, annual license fee of 3.5% of gross income from all sources except interest required to maintain reserves, and except premiums collected on life insurance and annuities, but in no case in excess of the amount of premium tax a foreign insurer would pay on the same income. If net insurance in force is greater than \$750 million, pay same tax as foreign life insurer.

§ 102.75 Workers' Compensation Department Assessment

Each licensed compensation insurer may be assessed for the expenses of the workers' compensation commission.

§ 102.59 Second Injury Fund

An employer or his compensation insurer shall pay \$20,000 into the fund whenever an employee loses (or loses the function of) an arm, hand, foot, leg or eye.

§ 102.49 Children's Death Benefit Fund

Payments are made into the fund by compensation insurers in various circumstances detailed in the statute.

§ 646.51 Insurance Security Fund (Guaranty Fund)

May assess member insurers on a prorated or non-prorated basis for administrative expenses. Non-prorated assessments may not exceed \$500 per year. May also assess maximum of 2% average premiums for last three years for kinds of insurance in account with deficiency.

Exclusions and Deductions:

§ 76.61 Town Mutual Insurers

Town mutuals are exempt from premium tax.

§§ 614.80; 76.65 Fraternal Life Insurers

Fraternal life insurers are exempt from payment of premium tax.

Crop Insurance

Wisconsin will no longer impose premium taxes on federally reinsured crop insurance premium.

Credits:

§ 76.635 Certified Capital Company Credit

An insurer that makes a certified capital investment may credit against fees due under §§ 76.60, 76.63, 76.65, 76.66 or 76.67. The company may use as a credit, up to 10% of the certified investment per year.

§ 76.636 Development Zone

An insurer may credit against fees due under §§ 76.60, 76.63, 76.65, 76.66 or 76.67 for its expenses related to creating jobs or for the remediation of polluted or contaminated property in an area designated as a development zone.

§ 76.637 Economic Development Credit

An insurer may credit against fees due under §§ 76.60, 76.63, 76.65, 76.66 or 76.67 the amount authorized under § 560.703 related to certain economic development activities.

§ 76.638 Early Stage Seed Investment Credit

An insurer may credit against fees due under §§ 76.60, 76.63, 76.65, 76.66 or 76.67, 25% of the insurer's investment paid to a fund manager that the fund manager invests in a business certified under § 238.14 or § 560.205(1).

§ 76.639 Low-Income Housing Credit

An insurer may credit against fees due under §§ 76.60, 76.63, 76.65, 76.66 or 76.67 the amount allocated to the claimant by the authority under § 234.45 for each taxable year within the credit period. No insurer may claim the credit under sub unless the claimant includes with the claimant's return a copy of the allocation certificate issued to the qualified development.

§ 76.69 Personal Property Taxes

Domestic life insurers may deduct 50% of general property taxes paid on personal property used in the operation of its business, up to 25% of the premium tax.

§ 646.51 Insurance Security Fund (Guaranty Fund)

If premium rates for a class of business are fixed so that assessments cannot be recouped through rate increases, insurers may offset assessments at rate of 20% per year for each of five years following the year in which the assessment was paid. The credit is also reciprocal. According to the department, the credit allowed foreign insurers is the same credit as allowed by their state of domicile, as long as the assessment came from the Wisconsin Insurance Security Fund.

Credits (cont.)

§ 76.655 Health Insurance Risk Sharing Plan

Insurers are eligible for a credit equal to a percentage of its health insurance risk sharing plan assessment. The percentage is equal to \$5,000,000 divided by the aggregate assessment for all companies in each annual assessment.

This credit is first applicable to assessments made in Aug. 2006. The credit is taken on Line A1a of the summary of taxes and fees and is in addition to any such credit taken in the state of domicile calculation.

Payment Due Dates:

§§ 76.64; 76.65; 601.93

Return due Mar. 1. Estimated payments due April 15, June 15, Sept. 15, Dec. 15. Each payment shall equal 25% of the lesser of the following: total tax paid prior year or 80% of actual tax due for current year.

Penalties:

§§ 76.645; 601.935

Insurers failing to make quarterly payments of required amount subject to interest at rate of 1.5% for each month amount remains unpaid. For negligent failure to file or pay, add \$500 or 5% of amount due per month, up to 25%, whichever is larger.

Extensions:

No specific provision for extensions.

Retaliatory Law:

§ 601.55 Fees and Other Obligations

If another state requires Wisconsin domestics to make a deposit, pay a fee, or pay a tax not included in the Wisconsin computation, which is greater than Wisconsin charges nondomestic insurers, Wisconsin may retaliate on an item-by-item basis.

§ 76.66 Taxes

If another state requires Wisconsin domestics to pay taxes greater, in the aggregate, than Wisconsin charges similar insurers, retaliation occurs. Taxes defined as general purpose revenue taxes and fire insurance dues less security fund assessment credits.

Retaliatory Law (cont.)

§ 76.67 Reciprocity

Wisconsin will not charge foreign insurers more than that insurer’s state charges Wisconsin domestics subject to an aggregate minimum of 2% of fire dues, 2% of life insurance and 0.375% on fire and marine insurance.

FEES

Fees are subject to retaliation on a fee-by-fee basis, payable on the premium tax return. Retaliation on fees for an application for certificate of authority occurs at the time of application.

Insurers’ Fees:

§ 601.31

Certificate of authority:

| | |
|--|-------|
| Filing initial documents for domestic and nondomestic insurers, motor clubs, property service contract providers, warranty plans, or rating organizations..... | \$400 |
| Issuing certificate of authority | 400 |
| Continuation of certificate of authority..... | 100 |

Annual statement:

| | |
|------------------------------|-----|
| Annual statement filing..... | 100 |
|------------------------------|-----|

Foreign or alien companies:

| | |
|--|----|
| Filing amendment to charter or articles of incorporation | 25 |
| Filing an application for amended certificate of authority (fraternals exempt) | 25 |
| Filing a copy of articles of merger of a nondomestic insurer | 25 |
| Service of process on commissioner..... | 10 |

Domestic companies:

| | |
|---|-----|
| Filing articles of amendment to charter or articles of incorporation..... | 25 |
| Filing articles of merger..... | 100 |

Agent’s appointments, initial and renewal annually:

| | |
|------------------|----|
| Resident | 16 |
| Nonresident..... | 30 |

Miscellaneous services:

| | |
|--|-------------|
| Copy of a paper filed in the commissioner’s office | actual cost |
| Preparation of lists of companies or agent..... | actual cost |
| Certifying copy of form | 10 |
| Certifying copy of form in duplicate of the first copy | 5 |

Producer Licensing Fees:

§§ 601.31; 632.69; Wis. Admin. Ins. Code §§ 6.58; 6.57; 6.59; 6.63

Agent’s license:

| | |
|---|------|
| Resident biennial license renewal (may be paid by agent or company) | \$35 |
| Nonresident biennial license renewal (may be paid by agent or company)..... | 70 |

Intermediary firm such as insurance intermediary, reinsurance intermediary or managing general agents:

| | |
|--|-----|
| Application fee for a corporation, association, partnership, LLC, LLP, or other legal entity | 100 |
| Biennial license renewal (even numbered years) for resident firms | 35 |
| Biennial license renewal (even numbered years) for nonresident firms | 70 |

Reinsurance intermediary individual:

| | |
|---|----|
| Application fees | 75 |
| Biennial resident regulation fee | 35 |
| Biennial nonresident regulation fee | 70 |

Surplus lines:

| | |
|----------------------------|-----|
| Application fees | 100 |
| Annual regulation fee..... | 100 |

Life settlement broker license:

| | |
|-------------------------------|-----|
| Initial application fee | 750 |
| Annual regulation fee..... | 250 |

Application or examination fees:

| | |
|--------------------------------|--------------------------|
| Resident and nonresident | 75 per line of authority |
|--------------------------------|--------------------------|

Annual appointment fee:

| | |
|--|----|
| Resident individual intermediary—agents..... | 16 |
| Nonresident individual intermediary—agents | 30 |

Licensing fees may be paid by producer or company. There is no retaliation against agent licensing fees.

DEPOSITS

§ 611.15

Domestics initial stock subscription or mutual applications shall be deposited in a depository approved by the commissioner with withdrawals made only with the commissioner’s approval.

→ **CONTACT PERSON**

John Litweiler: (608) 267-4390; john.litweiler@wisconsin.gov

Terry Lorenz: (608) 264-8106; terry.lorenz@wisconsin.gov

→ Nicholas Hartwig: (608) 267-4383; nicholas.hartwig@wisconsin.gov

→ Kongmeng Yang: (608) 264-8120; kongmeng.yang@wisconsin.gov

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WYOMING

→ **Arrow indicates an update for 2022**

PREMIUM TAX

Premium Tax Base:

Wyo. Stat. Ann. § 26-4-103

Total direct premiums including policy, membership and other fees and all other consideration for insurance and annuities, however designated. No tax is due on premiums or considerations received from policies issued in connection with qualified retirement plans. Wet marine and transportation insurance or returned premiums on canceled policies and dividends returned are not included in tax base.

Tax Rate:

§ 26-4-103

0.75%

0.075% on the portion of life insurance premiums exceeding \$100,000 per policy. (*see* Retaliatory Law)

1% annuities

§ 26-11-118

3% surplus lines

[Note: Please see the Surplus Lines chart for further information.]

§ 26-34-126

Health maintenance organizations report direct premium income and pay premium taxes at the same rate as other insurers.

§ 26-36-105

Risk retention groups taxed same as foreign admitted insurer.

Other Taxes and Assessments:

§ 26-4-103(c) Wet Marine and Transportation Insurance

Tax of 0.75% on gross underwriting profit.

Other Taxes and Assessments (cont.)

§§ 26-2-204; 26-34-126 Insurance Department Assessment

In addition to any other tax, license or fee, all licensed insurers are assessed for expenses of insurance department. Due June 1. Health maintenance organizations are treated as authorized insurers for purposes of the insurance department assessment.

§ 26-43-105 Health Insurance Pool

Health insurers, HMOs and health service plans may be assessed for the losses of the pool.

§ 26-31-107 Property and Casualty Guaranty Association

May assess member insurers no more than 1% net direct written premiums for preceding calendar year to cover deficiency.

§ 26-42-107 Life and Health Guaranty Association

May assess member insurers for administrative expenses in an amount determined by the board of directors. The assessment may be on a non pro rata basis. May assess no more than 2% average premiums for last three years for types of insurance in account with deficiency.

§ 26-19-312 Small Employer Health Insurance Availability

All authorized insurers liable for premium tax may be assessed as necessary to support the small carrier reinsurance program.

§ 26-4-103 Preemption

The state preempts the field of imposing taxes, licenses or fees on insurers and their representatives. Political subdivisions may not impose any tax, license or fee. This does not prohibit the imposition of taxes on real or personal property.

Exclusions and Deductions:

§ 26-29-224 Fraternal Benefit Societies

Fraternal are exempt from premium tax.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

Wyoming is not compelling payment of premium taxes for federally reinsured crop insurance because of the 10th Circuit court ruling.

Credits:

§ 26-2-209 Retaliatory Tax Assessments

Retaliatory taxes paid to other jurisdictions may be allowed as a credit against taxes payable by a domestic insurer.

§ 26-42-111 Life and Health Guaranty Association

Member insurers may offset assessments for deficiencies against premium tax liability at the rate of 10% per year for each of the 10 calendar years following the year in which the assessment was paid.

§ 26-43-105 Health Insurance Pool

For the total amount of assessments due from all members in one calendar year, up to \$4 million, 80% of each member's proportionate contribution to the first \$2 million and 50% of the next \$2 million shall be allowed as a credit against any premium tax owed in the year the assessment is payable.

§ 26-19-312 Small Employer Health Insurance Availability

The total amount of assessment paid for this program by an insurer plus an amount equal to 5% of that total assessment shall be allowed as a credit against any premium or retaliatory tax owed by the member under the Wyoming Insurance Code for the year for which the assessment is payable.

§ 9-12-1305 Wyoming Small Business Investment Credit

A participating investor may claim in the year immediately following a credit for tax years 2013, 2014, 2015, 2016, 2017, 2018 and 2019 in an amount equal to 14.2857% of the participating investor's investment of designated capital.

Payment Due Dates:

§ 26-4-103

Return due Mar. 1. Quarterly estimates due April 30, 25% of last years' total premium tax paid; July 31, 25%; Oct. 31, 25%; balance due Mar. 1.

Penalties:

§ 26-4-103

Commissioner shall suspend or revoke certificate of authority for failure to pay premium tax.

§ 26-4-105

If tax not paid by Mar. 31, commissioner may seize property of insurer within Wyoming.

Extensions:

§ 26-4-103

Commissioner may grant 30-day extension.

Retaliatory Law:

§ 26-3-130

Wyoming will impose the same taxes, licenses and other fees, in the aggregate, on any insurer or its representative, and the same fines, penalties, deposit requirements, etc. as imposed on Wyoming insurers by other states. This does not apply to application fees, examination fees, license fees, appointment and continuation fees for agents, adjusters, service representatives or consultants, or personal income taxes, ad valorem taxes on real or personal property or assessments imposed by other states in connection with particular kinds of insurance except property insurance, except if the other state considers these in determination of retaliatory taxes.

§ 26-3-130(b)(iii)

The premium tax paid on the portion of life insurance policies exceeding \$100,000 per policy is not subject to retaliation.

FEES

All fees and taxes are aggregated on the premium tax return.

Insurers' Fees:

§§ 26-4-101; 26-29-226 to 26-29-227; 26-34-126; 26-36-116

Certificate of authority:

| | |
|--|-------|
| Filing application for insurer's initial certificate of authority, excluding multiple employer welfare arrangements, including all documents submitted as a part of the application, issuance of certificate of authority, if issued | \$750 |
| Annual continuation, excluding multiple employer welfare arrangements, including filing of annual statement..... | 500 |
| Reinstatement..... | 50 |
| Certified copy | 15 |
| Registration of additional title | 25 |
| Annual renewal | 25 |
| License or renewal, fraternal..... | 250 |

Health maintenance organization:

| | |
|---|-----|
| Filing an application for certificate of authority or amendment to certificate of authority | 750 |
| Annual renewal of certificate of authority | 500 |
| Filing an amendment to organization documents that requires approval | 10 |

Risk retention group:

| | |
|---|-----|
| Registration fee and annual renewal fee | 200 |
|---|-----|

Insurers’ Fees (cont.)

§§ 26-4-101; 26-29-226 to 26-29-227; 26-34-126; 26-36-116 (cont.)

Charter documents (other than documents filed with application for certificate of authority):

Filing amendments to articles of incorporation, charter, bylaws, power of attorney
(as to reciprocal insurers) and other constituent documents of the insurer,
each document..... \$10

Rating organization:

License or triennial renewal thereof, including all kinds of insurance as to which licensed 150

Annual statement:

Annual statement filing other than included in § 26-4-101(a)(i)(A) or (B)..... 25
Fraternals 250

Miscellaneous services:

Service of process, acceptance..... 10
Certification of any document and affixing seal of office thereto 15
Copies of documents
on file in the department reasonable uniform charge per page as fixed by commissioner

Appointment of agent:

Each insurer 15
Annual continuation of appointment, each insurer 15
Statement of termination of appointment, each insurer 15

→ Producer Licensing Fees:

§§ 26-4-101; 26-9-231; 26-47-113; 26-9-206; 26-9-219; 26-53-103

[Fees in brackets were in effect prior to 1/1/2023. *Fees in italics in effect 1/1/2023.*]

Producers:

Application for original resident producer’s license and issuance of license, if issued..... 100
Temporary license, application fee, and issuance, if issued 10
License under waiver of residency requirement pursuant to a reciprocal agreement,
application fee and issuance..... 150
Continuance of license, resident 100
Continuance of license, nonresident 150
Fingerprint fee, resident 39

Appointment of agent:

Each producer or agent 15

Limited license:

Application for original individual license and issuance 20
Continuance of license 20
Application for original business entity license and issuance of license, if issued..... 100
Continuance of business entity license..... 100

Producer Licensing Fees (cont.)

§§ 26-4-101; 26-9-231; 26-47-113; 26-9-206; 26-9-219; 26-9-221; 26-53-103 (cont.)
 [Fees in brackets were in effect prior to 1/1/2023. *Fees in italics in effect 1/1/2023.*]

Surplus line brokers:

| | |
|---|------------------|
| Resident application for original license and issuance of license, if issued..... | \$100 |
| Resident continuation of license | 100 |
| Nonresident application for original license and issuance of license, if issued | [100] <i>150</i> |
| Nonresident continuation of license..... | 150 |

Adjusters:

| | |
|---|------------------|
| Resident application for original license and issuance of license, if issued..... | 100 |
| Resident continuation of license | 100 |
| Nonresident application for original license and issuance of license, if issued | [100] <i>150</i> |
| Nonresident continuation of license..... | 150 |
| Nonresident DHS and resident fingerprint fee..... | 39 |

Insurance consultant for hire:

| | |
|---|------------------|
| Resident original license, if issued..... | 100 |
| Resident continuation of license | 100 |
| Nonresident original license, if issued | [100] <i>150</i> |
| Nonresident continuation of license..... | 150 |

Third party administrators:

| | |
|--------------------|-----|
| Biennial fee | 200 |
|--------------------|-----|

Reinsurance intermediary:

| | |
|--------------------|-----|
| Biennial fee | 100 |
|--------------------|-----|

Multiple employer welfare arrangement:

| | |
|--------------------------------|-----|
| Annual license or renewal..... | 500 |
|--------------------------------|-----|

Continuing education fee:

| | |
|--|------------|
| [Payable at time of license renewal..... | 30] |
| <i>Continuing education provider renewal fee.....</i> | <i>100</i> |
| <i>Continuing education course application fee</i> | <i>50</i> |
| <i>Continuing education course renewal fee.....</i> | <i>50</i> |

Beginning in 2005, the department began biennial renewals. Producers’ licensing fees may be paid by either the producer or the company. They are not retaliatory and are nonrefundable.

DEPOSITS

§ 26-3-111

| Kinds of Insurance | Minimum Amount of Deposit |
|---------------------------|--------------------------------------|
| Life | \$200,000 |
| Disability | 100,000 |
| Life and disability | 200,000 |
| Property | 100,000 |
| Casualty excluding surety | 100,000 |
| Casualty including surety | 150,000 |
| Multiple line | 200,000 |
| Hail-crop | 100,000 |
| Title domestic insurers | 50,000 |
| Title foreign insurers | 100,000 |

CONTACT PERSON

Chief Financial Examiner

G. Douglas Melvin: (307) 777-5619; doug.melvin@wyo.gov

Premium Tax

G. Douglas Melvin: (307) 777-5619; doug.melvin@wyo.gov

Company Licensing

G. Douglas Melvin: (307) 777-5619; doug.melvin@wyo.gov

Producer Licensing Administrator

Bryan Stevens: (307) 777-7344; bryan.stevens@wyo.gov

Every effort has been made to make this information as correct and complete as possible, but for specific issues the reader should check the statutes cited. This summary has been prepared by the NAIC and reviewed by the state's insurance department and/or tax department for accuracy. All decisions on legal interpretation are made by state officials, so the reader should contact the above for further information.

TABLE OF CHARTS

1. Premium Tax **Rate By Line**
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7. **Surplus Lines** Insurance Premium Taxes
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PREMIUM TAX RATE BY LINE

The rate in the first box is the rate generally charged insurers. The following boxes are used to indicate specific rates by type of insurance. A # sign in the box indicates the generally charged rate is in effect. A zero indicates that type of insurance premium is not taxed. A blank indicates that information is not available. These figures do not indicate in any way credits or other effects on premium tax rates, nor are additional assessments indicated.

The date following each state indicates the last time information for the state was reviewed/changed.

| | ALABAMA (12/22) | ALASKA (12/22) |
|-----------------------------------|---|---|
| Insurers Generally | | 2.7% |
| A/H | 1.6%; Note | # |
| Life | 2.3%; Note | #; Note |
| Annuity | 0% | 0% |
| P/C | 3.6% | # |
| Fire | 3.6% Low value dwelling classes 9 & 10: 1% | # |
| RRG | 3.6% | # |
| BC/BS | 1.6% 0.5% small employer group | 6%; Note |
| Title | 3.6% | 1% |
| Independent/Direct Procurement | 4% | 3.7% |
| Surplus Lines | 6% | # + 1% filing fee |
| Marine | 3.6% | 0.75% of gross underwriting profit |
| Notes | Tax rates for P&C, Fire, Marine and Title may be reduced based on Alabama office facilities credit; Some small life premiums are taxed at 1% & 0.5%; Health premiums for small employer groups are taxed at 0.5%. | BC/BS & other hospital/medical service corps gross premium less claims paid; Life: 2.7% if yearly premium for individual policy up to \$100,000; rate is 0.08% for policy per premium exceeding \$100,000. |

PREMIUM TAX RATE BY LINE

| | ARIZONA (12/22) | ARKANSAS (12/22) |
|--------------------------------|---|--|
| Insurers Generally | 1.70% | 2.5% |
| A/H | # | # |
| Life | # | # |
| Annuity | 0% | 0% |
| P/C | #, Note | # + 0.5% on real & personal property |
| Fire | 2.2% or 0.66% if use private fire company | # + 0.5% on real & personal property |
| RRG | # | 4% |
| BC/BS | 2% | # |
| Title | Income tax | # |
| Independent/Direct Procurement | 3% | 2% |
| Surplus Lines | 3% | 4% |
| Marine | # | 0.75% of gross underwriting profit |
| Notes | Additional 0.4312% on premiums covering vehicles; Workers' compensation payable to Industrial Commission of Arizona: 1.75%. | Foreign Trade: 0.75%; Workers' compensation: not to exceed 3%, payable to Arkansas Workers' Compensation Commission. |

PREMIUM TAX RATE BY LINE

| | CALIFORNIA (12/22) | COLORADO (12/22) |
|--------------------------------|--|--|
| Insurers Generally | 2.35% | 2% 1% with Colorado home or regional office |
| A/H | #; Note | # |
| Life | # | # |
| Annuity | # 0.5% for qualified pension and profit-sharing plans | 0% |
| P/C | # | # |
| Fire | # | # |
| RRG | # | # |
| BC/BS | # | \$0.05 per enrollee after first 10,000 |
| Title | # | # |
| Independent/Direct Procurement | 3% | 3% |
| Surplus Lines | 3% | 3% |
| Marine | 5% of underwriting profit | # |
| Notes | | |

PREMIUM TAX RATE BY LINE

| | CONNECTICUT (12/22) | DELAWARE (12/22) |
|--------------------------------|---|---|
| Insurers Generally | 1.5% | 2% (1.75% + additional 0.25%) |
| A/H | # | # |
| Life | # | #; COLI, TOLI & BOLI graduated rates based on net premiums per case; Note |
| Annuity | 0% | 0% |
| P/C | # | # |
| Fire | # | # |
| RRG | 4% | # |
| BC/BS | Medical service corporations: 2% Domestic insurers: 1.5% | No provision |
| Title | # | # |
| Independent/Direct Procurement | 4% | 3% |
| Surplus Lines | 4% | 3% |
| Marine | 0% foreign company | 5% of underwriting profit |
| Notes | | Captives pay at a rate that varies; Corporate owned life insurance taxed at rates that vary between 1% and 2%. |

PREMIUM TAX RATE BY LINE

| | DISTRICT OF COLUMBIA (12/22) | FLORIDA (12/22) |
|--------------------------------|---|---|
| Insurers Generally | 1.7% | 1.75% |
| A/H | 2% | # |
| Life | # | # |
| Annuity | 0% | 1%, with exceptions |
| P/C | # | # |
| Fire | # | # + 1% assessment and up to 0.1% surcharge |
| RRG | # | Foreign: 4.94% Domestic: 1.75% |
| BC/BS | # | # |
| Title | # | 0% |
| Independent/Direct Procurement | No provision | 5% + 0.3% service fee |
| Surplus Lines | 2% | 4.94% + 0.3% service fee |
| Marine | # | 0.75% of gross underwriting profit |
| Notes | Captive insurers graduated rates; HMO: 2%. | Commercial Self Insurance Fund, Group Self Insurance Fund, Med. Mal. Self-Insurance Fund, Public Housing Authorities Self-Insurance Fund, and Assessable Mutual Insurers: 1.6%; HMO: up to 0.1%. |

PREMIUM TAX RATE BY LINE

| | GEORGIA (12/22) | HAWAII (12/22) |
|--------------------------------|--|---|
| Insurers Generally | 2.25% | 4.265% |
| A/H | # | # |
| Life | # | 2.75% |
| Annuity | 0% | 0% |
| P/C | # | # |
| Fire | # + additional 1%; Note | # |
| RRG | 4% | Rate varies from 0.00% to 0.25%; Note |
| BC/BS | # | 4.68% |
| Title | # | # |
| Independent/Direct Procurement | 4% | 4.68% |
| Surplus Lines | 4% | 4.68% |
| Marine | # | 0.8775% gross profit |
| Notes | Georgia Firefighter's Pension Fund collects its own tax. | Captives and RRGs: graduated rates between 0.00% and 0.25% depending on premium volume; maximum tax is \$200,000; does not apply to premiums previously taxed or taxed elsewhere. |

PREMIUM TAX RATE BY LINE

| | IDAHO (12/22) | ILLINOIS (12/22) |
|--------------------------------|---|---|
| Insurers Generally | 1.5% | 0.5%, insurers subject to income tax, privilege tax and retaliatory tax; Note |
| A/H | #; Note | 0.4% |
| Life | #; Note | # |
| Annuity | 0% | 0% |
| P/C | # | # |
| Fire | # | # + 1% fire marshal tax; Note |
| RRGs | # | # |
| BC/BS | #; Note | 0.4% |
| Title | # | # |
| Independent/Direct Procurement | 1.5% | 3.5% + applicable 1% fire marshal tax |
| Surplus Lines | 1.5% | 3.5% + applicable 1% fire marshal tax |
| Marine | # | # |
| Notes | Premiums for qualified retirement plans not taxed; Stand-alone dental insurance taxed \$0.04 per contract per month. | Privilege tax is 0.5% of net taxable premium, except A/H is taxed at 0.4%; Foreign fire: 2% local fire department tax. |

PREMIUM TAX RATE BY LINE

| | INDIANA (12/22) | IOWA (12/22) |
|--------------------------------|---|---|
| Insurers Generally | 1.3% | 1% |
| A/H | # | # |
| Life | # | #; Note |
| Annuity | 0%; Note | 0% |
| P/C | # | # |
| Fire | # | # |
| RRG | # | # |
| BC/BS | 0%; Note | # |
| Title | # | # |
| Independent/Direct Procurement | No provision | # |
| Surplus Lines | 2.5% | # |
| Marine | # | 6.5% of average profit for last three yrs. |
| Notes | Annuity, HMO and BC/BS: No provision, Department policy not to tax. | HMO: 1–5 years tax exempt, then 1%; Premiums for qualified retirement plans not taxed. |

PREMIUM TAX RATE BY LINE

| | KANSAS (12/22) | KENTUCKY (12/22) |
|--------------------------------|---|---|
| Insurers Generally | 2% | 2% |
| A/H | # | #; Note |
| Life | # | 1.5% |
| Annuity | 0% | 0% |
| P/C | # | # |
| Fire | # + additional 1.25% and 2% | # + additional 0.75% |
| RRG | Foreign: 6% Domestic: 2% | # |
| BC/BS | # | Note |
| Title | # | # |
| Independent/Direct Procurement | No provision | 2% |
| Surplus Lines | 6% | 3% |
| Marine | # | # |
| Notes | Small employee's health benefit: 0%; HMO: Privilege fee of 5.77% all premiums. | Health care provider tax varies by facility; hospital, medical, dental service corporations exempt. |

PREMIUM TAX RATE BY LINE

| | LOUISIANA (12/22) | MAINE (12/22) |
|--------------------------------|--|---|
| Insurers Generally | Based on volume; Note | 2% |
| A/H | # | #; Note |
| Life | # | #; Note |
| Annuity | 0% | #; Note |
| P/C | # | # |
| Fire | # + 2%; Note | # + 1.4%; Note |
| RRG | # | # |
| BC/BS | #; Note | Biennial assessment of up to 0.00015% of subscription income |
| Title | # | # |
| Independent/Direct Procurement | No provision | No provision |
| Surplus Lines | 4.85% | 3% |
| Marine | Based on volume; Note | # |
| Notes | Life, accident & health or service insurance: \$140 for \$7,000 or less in premiums received; add \$225 for each additional \$10,000 or part; Fire, marine, transportation, casualty, surety, workers' comp.: \$185 for \$6,000 or less in premiums; add \$300 for each additional \$10,000 or part; Fire: 0.25% fireman training, 1.25% fire damage, 2% premium tax; HMO: \$550 for every \$10,000 in premiums received. | Long-Term Care: 1%; Group disability income: 1%; Group disability income written by large insurers: 2.55%; Premiums for qualified retirement plans not taxed; Fire: additional assessment of 1.4% of gross direct premiums. |

PREMIUM TAX RATE BY LINE

| | MARYLAND (12/22) | MASSACHUSETTS (12/22) |
|--------------------------------|--|--|
| Insurers Generally | 2% | 2.28% |
| A/H | # | # |
| Life | # | 2% |
| Annuity | 0% | 0%, except retaliatory |
| P/C | # | # |
| Fire | # | # |
| RRG | # | # |
| BC/BS | 0%; Note | Excise tax of 1% of subscription dues |
| Title | # | # |
| Independent/Direct Procurement | 3% | No provision |
| Surplus Lines | 3% | 4% |
| Marine | # | 5.7% of net underwriting profit |
| Notes | For profit HMO taxed as insurer; non-profit not taxed. | HMO with preferred provider plan: 2.28%. Foreign companies' premiums received may be taxed at a higher rate due to retaliatory tax. |

PREMIUM TAX RATE BY LINE

| | MICHIGAN (12/22) | MINNESOTA (12/22) |
|--------------------------------|--|---|
| Insurers Generally | Greater of single business tax, income tax, or retaliatory tax | 2% |
| A/H | # | # |
| Life | # | 1.5% |
| Annuity | 0% | 0% per Department policy |
| P/C | # | # |
| Fire | # | # + additional 0.5% on direct business received by the company, or by its agents for it, for homeowner’s insurance policies, commercial fire policies, and commercial nonliability insurance policies in this state |
| RRG | Foreign: 2% + 0.5% regulatory fee | # |
| BC/BS | No provision | 1% |
| Title | # | # |
| Independent/Direct Procurement | 2% + 0.5% regulatory fee | 2% |
| Surplus Lines | 2% + 0.5% regulatory fee | 3% |
| Marine | # | # |
| Notes | | 1% for town & farmers’ mutuals & mutuals not writing life and with assets <\$5 million, 1.26% if assets >\$5 million, 2% surcharge on fire insurance premiums covering risk in Minneapolis, St. Paul, Rochester and Duluth; HMO: 1%. |

PREMIUM TAX RATE BY LINE

| | MISSISSIPPI (12/22) | MISSOURI (12/22) |
|--------------------------------|---|--|
| Insurers Generally | 3% | 2% |
| A/H | #; Note | # |
| Life | #; Note | #; Note |
| Annuity | 0% | 0% |
| P/C | # | # |
| Fire | # + additional 1% | # |
| RRG | # | # |
| BC/BS | 3%, except for exempt approved carriers offering basic health insurance | 0% |
| Title | # | # |
| Independent/Direct Procurement | 4% | 5% |
| Surplus Lines | 4% 3% Nonadmitted policy fee | 5% |
| Marine | # | # |
| Notes | Premiums for qualified retirement plans not taxed. | Premiums for qualified retirement plans not taxed; Workers' comp.: administrative tax of 1% + additional surcharges not to exceed 3%. |

PREMIUM TAX RATE BY LINE

| | MONTANA (12/22) | NEBRASKA (12/22) |
|--------------------------------|------------------------|--|
| Insurers Generally | 2.75% | 1% |
| A/H | # | Group: 0.5% |
| Life | # | #; Note |
| Annuity | 0% | 0% |
| P/C | # | # |
| Fire | # + additional 2.5% | # + additional Domestic: 0.375% Foreign: 0.75% |
| RRG | # | # |
| BC/BS | 0% | #; group: 0.5% |
| Title | # | # |
| Independent/Direct Procurement | No provision | Commercial purchaser: 3% |
| Surplus Lines | # | 3% + applicable fire tax |
| Marine | # | # |
| Notes | | Premiums for qualified retirement plans not taxed; Captive insurers: 0.25%. |

PREMIUM TAX RATE BY LINE

| | NEVADA (12/22) | NEW HAMPSHIRE (12/22) |
|--------------------------------|---|------------------------------|
| Insurers Generally | 3.5% | 1.25%; Note |
| A/H | # | 2% |
| Life | # | #; Note |
| Annuity | #; Note | 0% per Department policy |
| P/C | # | #; Note |
| Fire | # | #; Note |
| RRG | Foreign: 2% Domestic: 3.5% | # |
| BC/BS | # | 2% |
| Title | # | #; Note |
| Independent/Direct Procurement | # | 4%; marine: 2% |
| Surplus Lines | # | 3% |
| Marine | # | # |
| Notes | Premiums for qualified retirement plans not taxed; Rate for captive insurers varies between 0.025% and 0.4%. | Minimum payment of \$200. |

PREMIUM TAX RATE BY LINE

| | NEW JERSEY (12/22) | NEW MEXICO (12/22) |
|--------------------------------|---|--|
| Insurers Generally | 2.1% | 3.003% |
| A/H | #, group: 1.05% | # + surtax of 3.75% of gross health premiums |
| Life | #, Note | # |
| Annuity | 0% | 0% per Department policy |
| P/C | # | # |
| Fire | #, 2% Foreign | # |
| RRG | Foreign: 5% Domestic: 2.1% | # |
| BC/BS | 1.05% taxable premiums + \$0.02 to \$0.04 per subscriber depending on coverage; group: 1.05% | # + surtax of 3.75% of gross health premiums |
| Title | # | # |
| Independent/Direct Procurement | 5% | # |
| Surplus Lines | 5% | # |
| Marine | 5.25% average profit for last three yrs. | # |
| Notes | Premiums for qualified retirement plans not taxed; HMO: 2%; Workers' compensation and employers' liability: additional 0.25%. | |

PREMIUM TAX RATE BY LINE

| | NEW YORK (12/22) | NORTH CAROLINA (12/22) |
|--------------------------------|---|--|
| Insurers Generally | 2%; Note | 1.9% |
| A/H | 1.75% | # |
| Life | 0.7% | # |
| Annuity | 0% | 0% |
| P/C | # | # + 0.74% on property coverage contracts |
| Fire | %; Note | # + 0.74% on property coverage contracts |
| RRG | # | Foreign: 5% |
| BC/BS | 0% | No provision |
| Title | # | # |
| Independent/Direct Procurement | 3.6% | 5% |
| Surplus Lines | 3.6% | 5% |
| Marine | Ocean marine excluded from definition of premium. | # |
| Notes | Also subject to franchise tax or retaliatory tax; 17% MTA surcharge applies in a metropolitan commuter transportation district; Foreign fire: 2% local fire department tax. | Workers' compensation: 2.5%; HMO: 1.9%. |

PREMIUM TAX RATE BY LINE

| | NORTH DAKOTA (12/22) | OHIO (12/22) |
|--------------------------------|-----------------------------|--|
| Insurers Generally | 1.75%; Note | 1.4%; Note |
| A/H | # | 1% for health insuring corporation (HIC); 1.4% for others; Note |
| Life | 2% | # |
| Annuity | 0% | 0% per premium tax return form |
| P/C | # | # |
| Fire | # | # + additional 0.75% |
| RRG | # | Foreign: 5% Domestic: 1.4% |
| BC/BS | # | 1%, if authorized as a HIC |
| Title | # | # |
| Independent/Direct Procurement | # | 5% |
| Surplus Lines | # | 5% |
| Marine | # | # |
| Notes | Minimum payment of \$200. | Minimum tax is \$250; Domestic non-HIC insurers authorized to write HIC lines of business are taxed at 1% on those HIC lines of business and 1.4% on all other lines of business. |

PREMIUM TAX RATE BY LINE

| | OKLAHOMA (12/22) | OREGON (12/22) |
|--------------------------------|--|---|
| Insurers Generally | 2.25% | Corporate excise tax, varies based on income, and retaliatory taxes |
| A/H | # | # |
| Life | #, Note | # |
| Annuity | 0% | 0% per exemption granted by Director |
| P/C | # | # |
| Fire | # + additional 0.3125% | # + additional 1.15% |
| RRG | # | # |
| BC/BS | # | No provision |
| Title | # | # |
| Independent/Direct Procurement | 6% | 2% + applicable 0.3% fire marshal tax |
| Surplus Lines | 6% | 2% + applicable 0.3% fire marshal tax |
| Marine | # | 5% average profit for last three yrs. + retaliatory |
| Notes | Life policies on an employee or director for the benefit of the employer 2.25% up to \$100,000 and .001% on premium exceeding \$100,000. Workers' compensation administration fund: 1%. | |

PREMIUM TAX RATE BY LINE

| | PENNSYLVANIA (12/22) | PUERTO RICO (12/22) |
|--------------------------------|---|--|
| Insurers Generally | 2% | 4% |
| A/H | # | # |
| Life | # | # |
| Annuity | 0% per Department policy | 1% |
| P/C | # | # |
| Fire | # | 3% Fire and allied lines |
| RRG | # | No provision |
| BC/BS | 0% | No provision |
| Title | Domestic: 1.25% (based on value of capital stock) Foreign: # | # |
| Independent/Direct Procurement | 3% | 15%, excluding medical-hospital professional malpractice |
| Surplus Lines | 3% | 9% |
| Marine | 5% average profit for last three yrs. | No provision |
| Notes | | Please confirm rates with the department, as they are subject to change. |

PREMIUM TAX RATE BY LINE

| | RHODE ISLAND (12/22) | SOUTH CAROLINA (12/22) |
|--------------------------------|--------------------------------|---|
| Insurers Generally | 2% | 1.25% |
| A/H | # | # |
| Life | # | 0.75% |
| Annuity | 0% per Department policy | 0% |
| P/C | # | # |
| Fire | # | # + additional 1% |
| RRG | # | # |
| BC/BS | # + \$1,000 minimum assessment | # |
| Title | # | # |
| Independent/Direct Procurement | 4% | No provision |
| Surplus Lines | 4% | 6% (includes 2% municipal tax) |
| Marine | # | # |
| Notes | | Workers' compensation: 2.5%; Captives pay at a rate that varies based on amount of premiums. |

PREMIUM TAX RATE BY LINE

| | SOUTH DAKOTA (12/22) | TENNESSEE (12/22) |
|--------------------------------|--|---|
| Insurers Generally | 2.5%; Note | 2.5%; Note |
| A/H | # | # |
| Life | %; Note | 1.75%; Note |
| Annuity | 1.25%; Note | 0% |
| P/C | # | # |
| Fire | # + additional 0.5% | # + additional 0.75% on apportioned fire lines |
| RRG | # | # |
| BC/BS | # | 2.5% |
| Title | # | # |
| Independent/Direct Procurement | # | No provision |
| Surplus Lines | # + applicable 0.5% fire tax | 5% |
| Marine | # | # |
| Notes | Life: 2.5% on first \$100,000 in premiums, 0.08% on annual premiums exceeding \$100,000 per policy, small face amount policies of less than \$7000 face amount, 1.25%; Annuity: 1.25% for first \$500,000 in annuity consideration and 0.08% for annual consideration exceeding \$500,000 per annuity contract. | \$150 minimum tax due; Premiums for qualified retirement plans not taxed; Captives: 0.4% first \$20 million, 0.3% each dollar thereafter; Workers' Comp premium is taxed separate from all other premium at 4% with a surcharge of 0.4% earmarked for TOSHA; HMO: 6%. |

PREMIUM TAX RATE BY LINE

| | TEXAS (12/22) | UTAH (12/22) |
|--------------------------------|---|---|
| Insurers Generally | 1.6% | 2.25% |
| A/H | 1.75%, Note | 0% |
| Life | 1.75%; Note | #; variable life: 2.25% of first \$100,000 in premiums and 0.08% for premiums in excess of \$100,000 |
| Annuity | 0% | 0% |
| P/C | #; Note | # + additional 0.01% on certain auto policies |
| Fire | #; Note | # |
| RRG | # | # |
| BC/BS | 1.75%; Note | 0% |
| Title | 1.35% | 0.45% |
| Independent/Direct Procurement | 4.85% | 4.25% |
| Surplus Lines | 4.85% | 4.25% |
| Marine | #; Note | 0% |
| Notes | Life, A/H, and HMO: 1.75% of gross premiums, except 0.875% for first \$450,000 of gross premiums or revenues received. In addition to the above, Texas has maintenance taxes that vary by coverage type. | Workers' Comp. (must be within 1% and 4.15%, as determined each year by the state labor commission): 1.25% for 2021 and 2022. |

PREMIUM TAX RATE BY LINE

| | VERMONT (12/22) | VIRGIN ISLANDS (12/22) |
|--------------------------------|---|-------------------------------|
| Insurers Generally | 2%; Note | 5% |
| A/H | # | # |
| Life | # | # |
| Annuity | 0% | 0% |
| P/C | # | # |
| Fire | # | # |
| RRG | # | No provision |
| BC/BS | 0% | No provision |
| Title | # | # |
| Independent/Direct Procurement | 3% | No provision |
| Surplus Lines | 3% | 5% |
| Marine | # | # |
| Notes | Tax rates are subject to retaliation; Captive rates vary, based on amount of premiums. | |

PREMIUM TAX RATE BY LINE

| | VIRGINIA (12/22) | WASHINGTON (12/22) |
|--------------------------------|--|---|
| Insurers Generally | 2.25%; Note | 2% |
| A/H | # | # |
| Life | # | #; Note |
| Annuity | 0% | 0% |
| P/C | #; Note | # |
| Fire | #; Note | # |
| RRG | # | # |
| BC/BS | 2.7% | # |
| Title | # | Note |
| Independent/Direct Procurement | No provision | No provision |
| Surplus Lines | #; plus .1% Bureau maintenance | # |
| Marine | #; Note | 0.95% of gross underwriting profit |
| Notes | Additional assessment for Bureau maintenance (not to exceed 0.1%, \$300 minimum): 0.025%; Fire, misc. property, marine, homeowners, and farm owners: additional 1% assessment for fire programs fund (\$100 minimum); Domestic nonprofit mutuals and industrial sick benefit companies: 1%; Prepaid Lines: 2.25%. Workers compensation insurers pay 2.5% into administrative fund. | Premiums for qualified retirement plans not taxed; Title insurers and their property are taxed under the general laws relating to taxation, but not premium taxes; Foreign Trade: 0.95% of gross underwriting profit. |

PREMIUM TAX RATE BY LINE

| | WEST VIRGINIA (12/22) | WISCONSIN (12/22) | WYOMING (12/22) |
|-----------------------------------|---|--|--|
| Insurers Generally | 3%; Note | | 0.75% |
| A/H | # | Assessed in proportion to share of business | # |
| Life | # | Domestic Life: Note Foreign: 2% | #; Note |
| Annuity | 1% | 0% | 1%; Note |
| P/C | # + additional 1% + 0.55% surcharge + 0.5% fire marshal | Foreign: 2% | # |
| Fire | # + additional 1% + 0.55% surcharge + 0.5% fire marshal | Foreign: 2.375% + 2% fire dues Domestic: 2% | # |
| RRG | 4% + 0.55% surcharge | 3% | # |
| BC/BS | 0% | No provision | # |
| Title | # | | # |
| Independent/Direct Procurement | No provision | 3% | 3% |
| Surplus Lines | 4% + 0.55% surcharge | 3% | 3% |
| Marine | # | Foreign: 0.5% | 0.75% of gross underwriting profit |
| Notes | State Act Workers Compensation premiums are subject to the surcharges of W. Va. Code § 23-2C-3(f) and not the taxes and surcharges under W. Va. Code Ch. 33. | Domestic life Less than \$750 million: 3.5% Greater than \$750 million: 2% | Premiums for qualified retirement plans not taxed; HMO: 0.75%. |

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.

PREMIUM TAXATION OF ANNUITIES

The date following each state indicates the last time information for the state was reviewed/changed.

| STATE | CITATION | EXPLANATION |
|---------------|---|--|
| AL (12/22) | § 27-4A-2 | Exclude annuities from premium tax base. |
| AK (12/22) | § 21.09.210 | Exclude annuities from premium tax base. |
| AZ (12/22) | § 20-224 | Exclude annuities from premium tax base. |
| AR (12/22) | § 26-57-603 | Exclude annuities from premium tax base. |
| CA (12/22) | Rev. & Tax §§ 12222; 12202 | Specifically include annuities in tax base at the rate of 2.35%, except those issued in connection with a pension plan or profit-sharing plan exempt or qualified under federal law are taxed at rate of 0.5%. |
| CO (12/22) | § 10-3-209 | Exclude annuities from premium tax base. |
| CT (12/22) | § 12-201 | Exclude annuities from premium tax base. |
| DE (12/22) | 18 Del.C. § 702 | Exclude annuities from premium tax base. |
| DC (12/22) | § 31-205 | Exclude annuities from premium tax base. |
| FL (12/22) | § 624.509; Fla. Admin. Code R. 12B-8.001 | Specifically include annuities in tax base at the rate of 1%, except no tax on annuity premiums paid by holders in this state if the tax savings are credited to the annuity holders. |
| GA (12/22) | § 33-8-4 | Exclude annuities from premium tax base. |

PREMIUM TAXATION OF ANNUITIES

| STATE | CITATION | EXPLANATION |
|---------------|------------------------|--|
| HI (12/22) | § 431:7-201 | Exclude annuities from premium tax base. |
| ID (12/22) | § 41-402 | Exclude annuities from premium tax base. |
| IL (12/22) | 215 ILCS 5/409 | Exclude annuities from premium tax base. |
| IN (12/22) | § 27-1-18-2 | No specific exemption. Department policy not to tax annuities. |
| IA (12/22) | § 432.1 | Exclude annuities from premium tax base. |
| KS (12/22) | § 40-252 | Exclude annuities from premium tax base. |
| KY (12/22) | § 136.330 | Exclude annuities from premium tax base. |
| LA (12/22) | § 22:843 | Exclude annuities from premium tax base. |
| ME (12/22) | tit. 36 §§ 2513; 2514 | Annuities are taxed at the rate of 2%, except no tax on certain historical annuities, retirement annuities issued by certain non-profit companies, or annuities issued in connection with deferred compensation plan or certain retirement accounts qualified or exempt under federal law. |
| MD (12/22) | Ins. §§ 6-102 to 6-104 | Annuities are taxed at the rate of 0%. |
| MA (12/22) | Ch. 63 §§ 20; 22 | Life insurance companies excluded with respect to amounts received as consideration for annuities contracts. Department policy not to tax annuities except on a retaliatory basis. |
| MI (12/22) | § 208.1235 | Exclude annuities from premium tax base. |

PREMIUM TAXATION OF ANNUITIES

| STATE | CITATION | EXPLANATION |
|---------------|-----------------------|--|
| MN (12/22) | § 297I.05 | No specific exemption. Department policy not to tax annuities. |
| MS (12/22) | § 27-15-119 | Exclude annuities from premium tax base. |
| MO (12/22) | § 148.390 | Exclude annuities from premium tax base. |
| MT (12/22) | § 33-2-705 | Exclude annuities from premium tax base. |
| NE (12/22) | § 77-907 | Exclude annuities from premium tax base. |
| NV (12/22) | §§ 680B.025; 680B.027 | Specifically include annuities in tax base of 3.5%, except no tax on those issued in connection with the funding of a pension, annuity or profit-sharing plan qualified or exempt pursuant to federal law. |
| NH (12/22) | § 400-A:32 | No specific exemption. Tax return indicates annuities not taxed. Department policy not to tax annuities. |
| NJ (12/22) | § 54:18A-5 | Exclude annuities from premium tax base. |
| NM (12/22) | § 7-40-3 | No specific exemption. Department policy not to tax annuities. |
| NY (12/22) | Ins. § 9101 | Exclude annuities from premium tax base. |
| NC (12/22) | § 105-228.5 | Exclude annuities from premium tax base. |

PREMIUM TAXATION OF ANNUITIES

| STATE | CITATION | EXPLANATION |
|---------------|-------------------------|--|
| ND (12/22) | § 26.1-03-17 | Exclude annuities from premium tax base. |
| OH (12/22) | § 5729.03 | No specific exemption. Premium tax return indicates not taxed. |
| OK (12/22) | tit. 36 § 624 | Exclude annuities from premium tax base. |
| OR (12/22) | § 731.804 | Director is allowed to exclude annuities from premium tax base. |
| PA (12/22) | 72 P.S. §§ 7901 to 7902 | No specific exemption. Department policy not to tax annuities. (https://www.revenue.pa.gov/TaxTypes/Corporation%20Taxes/Pages/Gross%20Premiums%20Tax.aspx) |
| PR (12/22) | tit. 26 § 702 | Annuities are taxed at the rate of 1%. Excludes insurers for non-pecuniary purposes that are dedicated to the subscription of life insurance contracts and annuities for the personnel of educational institutions. Please confirm rates with the department, as they are subject to change. |
| RI (12/22) | § 44-17-2 | No specific exemption. Department policy not to tax annuities. |
| SC (12/22) | § 38-7-20 | Exclude annuities from premium tax base. |
| SD (12/22) | § 10-44-2 | Specifically include annuities in tax base at the rate of 1.25% for first \$500,000 and at the rate of 0.08% for everything above \$500,000. |
| TN (12/22) | § 56-4-220 | Annuities issued in connection with any pension plan, annuity plan or profit-sharing plan qualified for federal income tax advantages are taxed at the rate of 0%. |

PREMIUM TAXATION OF ANNUITIES

| STATE | CITATION | EXPLANATION |
|-----------------|----------------------------------|---|
| TX (12/22) | Ins. ch. 222; 34 T.A.C. 3.831 | Exclude annuities from premium tax base. However, annuities and annuity considerations are included for purposes of Article 4.17, Maintenance Tax on Gross Premiums, and are taxed accordingly. |
| UT (12/22) | § 59-9-101 | Exclude annuities from premium tax base. |
| VT (12/22) | 8 V.S.A. § 3718 | Exclude annuities from premium tax base. |
| V.I. (12/22) | tit. 22 § 603 | Exclude annuities from premium tax base. |
| VA (12/22) | § 58.1-2502 | Exclude annuities from premium tax base. |
| WA (12/22) | § 48.14.020 | Exclude annuities from premium tax base. |
| WV (12/22) | § 33-3-15 | Annuities are taxed at the rate of 1%. |
| WI (12/22) | § 76.65 | Exclude annuities from premium tax base (domestic only). Department policy not to tax foreign insurers on annuity considerations. |
| WY (12/22) | § 26-4-103 | Annuities are taxed at the rate of 1%, except no tax on those issued in connection with pension annuity or profit-sharing plan exempt or qualified under federal law. |

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PREMIUM TAXATION OF ANNUITIES

**PREMIUM TAX AND OTHER ASSESSMENTS
(Non-Profit Health Plans/BCBS Plans)**

The date following each state indicates the last time information for the state was reviewed/changed.

| STATE | CITATION | TAX RATE | STATUS OF BLUE CROSS BLUE SHIELD |
|---------------|--|---|--|
| AL (12/22) | §§ 10A-20-6.16; 10A-20-6.14; 27-4A-3 | 1.6% of premiums, same as insurers. 0.5% applicable to employer-sponsored plan for groups with less than 50 insured participants. Employer-sponsored plan for governmental employees or Medicare/Medicaid supplements are exempt. | Nonprofit |
| AK (12/22) | §§ 21.09.210; 21.87.260 | 6% of gross premiums less claims paid. | Nonprofit |
| AZ (12/22) | §§ 20-837; 20-831 | 2% of net premiums, except coverage provided by funds of any governmental subdivision or body. | Nonprofit corporation |
| AR (12/22) | §§ 23-75-119; 23-75-120; 23-75-114 | 2.5% of net direct written premiums. | Mutual insurance company |
| CA (12/22) | Rev. & Tax. §§ 12202; 12207; 12240 to 12242 (Medi-Cal Managed Care Plan) | 2.35% of total operating revenue. For the taxable years beginning on or after Jan. 1, 2017, and before Jan. 1, 2023, there shall be allowed as a credit against the “tax,” as described in §§ 12202 or 12231, an amount equal to 50% of the amount contributed by the taxpayer during the taxable year to the College Access Tax Credit Fund, as allocated and certified by the California Educational Facilities Authority. | Blue Cross is an operating subsidiary publicly traded health care company. Blue Shield is nonprofit. |
| CO (12/22) | §§ 10-16-110; 10-16-111 | \$0.05 per enrollee (excluding first 10,000 enrolled). | |
| CT (12/22) | §§ 12-212a; 12-202 | 2% applicable to hospital and medical service corporations. 1.5% applicable to domestic insurers. | |
| DE (12/22) | tit. 18 § 6307 | No provision | Nonprofit |

**PREMIUM TAX AND OTHER ASSESSMENTS
(Non-Profit Health Plans/BCBS Plans)**

| STATE | CITATION | TAX RATE | STATUS OF BLUE CROSS BLUE SHIELD |
|---------------|-----------------------------------|--|--|
| DC (12/22) | §§ 31-205; 31-3514.01; 47-2608 | 1.7% of policy and membership fees and net premium receipts. A hospital service corporation or medical service corporation may deduct the amounts paid to the rate stabilization fund and pursuant to a public-private partnership, up to \$550,000. | Nonprofit |
| FL (12/22) | §§ 624.509; 624.424 | 1.75%, same as insurers. | Not-for-profit |
| GA (12/22) | §§ 33-20-19; 33-8-4; 33-20-24 | 2.25% of gross direct premiums received, same as life insurers. | |
| HI (12/22) | § 431:8-205 | 4.68% of gross premiums for the surplus lines insurance. | Hawaii Medical Service Association, an independent licensee of the Blue Cross and Blue Shield Association, is a mutual benefit society not subject to premium tax. |
| ID (12/22) | §§ 41-402; 41-2854 | 1.5% of net premiums written and dental premiums taxed \$0.04 per subscriber contract per month. | Regence Blue Shield of Idaho and Blue Cross are nonprofit mutual insurers. |
| IL (12/22) | 215 ILCS 5/409 | 0.4% of A&H taxable premium written. | Mutual insurer |
| IN (12/22) | IC 27-1-18-2 | Every insurance company not organized under the laws of this state, and each domestic company electing to be taxed under this section will be taxed at 1.3% of gross premiums. | |
| IA (12/22) | §§ 432.1; 432.2 | 1% of premiums. | Wellmark Bluecross Blueshield is a mutual insurance company. |
| KS (12/22) | §§ 40-252; 40-225 | 2% of premiums. | Nonprofit mutual insurer |
| KY (12/22) | §§ 142.301 to 142.363 | Health care provider tax varies by facility. Hospital, medical, dental service corporations exempt. | For-profit insurer |

**PREMIUM TAX AND OTHER ASSESSMENTS
(Non-Profit Health Plans/BCBS Plans)**

| STATE | CITATION | TAX RATE | STATUS OF BLUE CROSS BLUE SHIELD |
|---------------|--|---|--|
| LA (12/22) | §§ 22:842; 22:571 | Tax of \$140 when \$7,000 or less premiums, add \$225 for each additional \$10,000 (or fraction thereof) of gross annual premiums. This provision does not apply to HMOs. HMOs pay an annual tax of \$550 for every \$10,000 of gross annual premiums. | Nonprofit |
| ME (12/22) | tit. 24 §§ 2311; 2332 | Exempt from premium tax. Biennial assessment of up to 0.015% of subscription income for department expenses. | For-profit stock insurer |
| MD (12/22) | Ins. §§ 14-106; 14-121; 6-101; 6-121 | Nonprofit medical plans are exempt from premium tax. A premium tax exemption report is required annually. | Not-for-profit |
| MA (12/22) | Ch. 176A §§ 19; 18; Ch. 176B § 14; Ch. 176C §§ 9; 14; 15 | Exempt from premium tax. Nonprofit medical service plans organized under Ch. 176C shall pay an excise tax of 1% of subscription dues. | Nonprofit |
| MI (12/22) | §§ 500.5801; 500.5805 | No provision | Nonprofit mutual disability insurer |
| MN (12/22) | § 297I.05(5) | 1% of gross premiums, less return premiums on all direct business applicable to health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations. | Not-for-profit |
| MS (12/22) | §§ 27-15-109; 83-61-11 | 3% of gross premiums, except approved carriers offering basic health insurance are exempt from premium tax. | Mutual insurer |
| MO (12/22) | §§ 354.130; 375.041 | Exempt from premium tax. | |
| MT (12/22) | § 33-30-203 | Health service corporations are exempt from premium tax. | Blue Cross and Blue Shield of Montana is a division of Health Care Service Corporation, a for-profit mutual insurance company. |

**PREMIUM TAX AND OTHER ASSESSMENTS
(Non-Profit Health Plans/BCBS Plans)**

| STATE | CITATION | TAX RATE | STATUS OF BLUE CROSS BLUE SHIELD |
|---------------|--|--|---|
| NE (12/22) | §§ 44-322; 77-908 | 1% of gross written premiums, except 0.5% of group health premiums, same as insurers. | Not-for-profit mutual insurer |
| NV (12/22) | §§ 695B.310; 680B.027; 695B.160 | 3.5% of net direct premiums, same as mutual insurers. | Not-for-profit |
| NH (12/22) | §§ 400-A:32; 420-A:20; 420-A:27 | 2% of net premiums. | |
| NJ (12/22) | §§ 17:48E-41; 17:48E-36; 17:48E-38; 54:18A-1; 54:18A-2 | 1% of taxable premiums plus an additional tax of 0.05% upon such taxable premiums of such insurers shall also be paid. \$0.02 per subscriber of medical coverage; and \$0.04 per subscriber of both hospital and medical coverage for cost of supervision. | Not-for-profit |
| NM (12/22) | § 7-40-3 | 3.003% of gross premiums and membership and policy fees, same as insurers; premium surtax of 3.75% of gross health premiums and membership and policy fees. | Mutual legal reserve company |
| NY (12/22) | Ins. § 4310 | Exempt from premium tax. | For-profit |
| NC (12/22) | §§ 58-65-1; 58-65-2; 58-65-100; 105-228.5; 58-2-165 | Not specifically subject to premium tax statute. | Nonprofit |
| ND (12/22) | §§ 26.1-03-17; 26.1-17-10; 26.1-17-31 | 1.75% of gross premiums, same as insurers. | Not-for-profit mutual insurer |
| OH (12/22) | §§ 1751.01; 3901.42; 5725.18; 5729.03 | Health insuring corporations (HICs) taxed at 1%, excluding payments received through Medicare. | |
| OK (12/22) | tit. 36 §§ 624; 2611; 2617 | 2.25% of direct written premiums, same as insurers. | Mutual legal reserve company |

**PREMIUM TAX AND OTHER ASSESSMENTS
(Non-Profit Health Plans/BCBS Plans)**

| STATE | CITATION | TAX RATE | STATUS OF BLUE CROSS BLUE SHIELD |
|---------------|---|--|--|
| OR (12/22) | §§ 731.574; 750.055; 731.804 | No provision | Nonprofit |
| PA (12/22) | 72 P.S. §§ 7901 to 7902; 40 P.S. §§ 6103; 6307 | Exempt from premium tax. | Nonprofit |
| PR (12/22) | No provision | | Nonprofit |
| RI (12/22) | §§ 44-17-1; 27-12-1; 27-19-2; 27-19-8; 27-19-24; 27-20-2; 27-20-8; 27-20-21 | 2% of gross premiums. Domestic nonprofit hospital and medical service corporations also subject to a minimum assessment of \$1,000 to support the activities of the division of insurance. | Nonprofit |
| SC (12/22) | §§ 38-7-20; 38-13-80 | 1.25% of total premiums written, less return premiums. | For-profit mutual insurance company |
| SD (12/22) | §§ 10-44-2; 58-38-17; 58-38-19 | 2.5% of premiums, same as insurers. | Nonprofit |
| TN (12/22) | §§ 56-28-117; 56-29-113; 56-4-205 | 2.5% of gross premiums, same as life, health and accident insurers. | Not-for-profit |
| TX (12/22) | Ins. § 222.003 | 1.75% of taxable gross premiums, except 0.875% of the first \$450,000 of life insurance taxable gross premiums and HMO taxable gross revenues received. | Blue Cross and Blue Shield of Texas is a division of Health Care Service Corporation, a for-profit mutual insurance company. |
| UT (12/22) | §§ 31A-7-103; 59-9-101(5)(b) | Nonprofit health service insurance corporations are exempt from premium tax. | Nonprofit |
| VT (12/22) | tit. 8 §§ 4590; 4518 | Nonprofit hospital and medical service corporations are exempt from all forms of premium taxation. | Nonprofit |

**PREMIUM TAX AND OTHER ASSESSMENTS
(Non-Profit Health Plans/BCBS Plans)**

| STATE | CITATION | TAX RATE | STATUS OF BLUE CROSS BLUE SHIELD |
|-----------------|--|---|---|
| V.I. (12/22) | tit. 22 § 603 | No provision | |
| VA (12/22) | §§ 58.1-2501; 38.2-4226; 38.2-4521 | 2.75% of subscriber fee income or direct gross premium income. | CareFirst BlueCross BlueShield is a nonprofit. |
| WA (12/22) | §§ 48.44.095; 48.14.0201 | 2% of total of all premiums and prepayments for health care services. | Not-for-profit |
| WV (12/22) | §§ 33-24-4; 33-2-9 | Exempt from premium tax. Assessed an examination assessment fee. | Not-for-profit |
| WI (12/22) | W.S.A. 618.43 | No provision | Stock corporation organized pursuant to Ch. 611 |
| WY (12/22) | §§ 26-4-103; 26-3-123; 26-22-301; 26-2-204; 26-42-107; 26-43-105 | 0.75% of net premiums, same as insurers. Also, subject to assessments for insurance department expenditures, life and health insurance guaranty association, and health insurance pool. | Nonprofit |

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**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

The date following each state indicates the last time information for the state was reviewed/changed.

| STATE | CITATION | PREMIUM TAX |
|---------------|---|---|
| AL (11/22) | §§ 27-4A-3; 27-31A-4 § 27-31A-10 | Risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 3.6%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| AK (11/22) | §§ 21.09.210; 21.34.180 | Risk retention groups subject to taxation on same basis as insurers at the rate of 2.7%. If placement through nonadmitted, eligible insurer or risk retention group not domiciled in Alaska, taxes paid by surplus lines broker. |
| AZ (11/22) | §§ 20-2403; 20-224 | Risk retention groups subject to taxation on same basis as foreign admitted insurer at the rate of 0.66% for property located in a city or town certified by the fire marshall, 2.2% on all other property, and 1.7% for all other insurance lines. |
| AR (11/22) | § 23-94-210 | Risk retention groups taxed on all premiums paid for coverage within this state at the rate of 4%. |
| CA (11/22) | Rev. & Tax § 12202; Ins. § 132; Const. Art. XIII § 28 | Risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2.35%. |
| CO (11/22) | § 10-3-209; 3 C.C.R. 702-2:2-1-8 § 6 | Risk retention groups taxed on same basis as a foreign admitted insurer at the rate of 2%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| CT (11/22) | §§ 38a-254; 38a-277 | Risk retention groups subject to taxation same as independently procured insurance at the rate of 4% of gross premiums. |

**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

| STATE | CITATION | PREMIUM TAX |
|---------------|---|---|
| DE (11/22) | tit. 18 §§ 8004; 702; 707 tit. 18 § 8010 | Risk retention groups taxed on same basis as foreign admitted insurers at the rate of 1.75% on net premiums plus additional 0.25% of gross premiums. The gross premium tax does not apply to worker's compensation or wet marine and transportation insurance. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| DC (11/22) | §§ 31-4103; 31-205 § 31-4109 | Risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 1.7%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| FL (11/22) | §§ 627.944; 626.932; 627.943; 624.509 | Foreign risk retention groups subject to same rate of taxation as surplus lines insurers at the rate of 4.94% of gross premiums. Domestic risk retention group subject to same tax imposed on domestic insurers at the rate of 1.75%. |
| GA (11/22) | § 33-40-5 | Risk retention groups taxed on all premiums paid or due and payable, less return premium, at the rate of 4%. |
| HI (11/22) | §§ 431K-3; 431:19-116 | All premiums paid shall be subject to taxation at same rate as applied to captives. 0.25% on first \$25 million of gross premiums; 0.15% from \$25 million to \$50 million of gross premiums; 0.05% from \$50 million to \$250 million; no tax on gross premiums greater than \$250 million. Aggregate premium tax not to exceed \$200,000. |
| ID (11/22) | §§ 41-4805; 41-402 § 41-4816 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 1.5%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| IL (11/22) | 215 ILCS 5/123B-4; 215 ILCS 5/409 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 0.5% of net taxable written premium. Subject to income tax, privilege tax and retaliatory tax. |
| IN (11/22) | §§ 27-7-10-15; 27-1-18-2 § 27-7-10-28 | Foreign risk retention groups subject to same rate of taxation as foreign admitted insurers at the rate of 1.3%. Purchasing group taxed same as similar coverage from similar source. |
| IA (11/22) | §§ 432.1; 432.5; 515E.4 | Risk retention groups taxed at the rate of 1% on gross premiums received for risks placed in this state. |
| KS (11/22) | §§ 40-4103; 40-246c; 40-252 | Foreign risk retention groups taxed at the rate of 6% of gross premiums less return premiums. Domestic groups taxed same as domestic insurers at the rate of 2%. |

**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

| STATE | CITATION | PREMIUM TAX |
|---------------|---|---|
| KY (11/22) | §§ 304.45-080; 91A.080 § 136.392 | Risk retention groups subject to taxation on same basis as insurers at the rate of 2%. Premium surcharge—all domestic, foreign or alien insurers, other than life & health, shall collect a surcharge of \$1.80 upon each \$100 of premiums, assessments or other charges; the insurance premium surcharge on nonadmitted insurance for multistate risks shall be exempt. |
| LA (11/22) | §§ 22:484; 22:831; 22:842 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers. Rate varies based on amount of gross premiums. |
| ME (11/22) | tit. 24-A § 6095; tit. 36 §§ 2513; 2513-A | Risk retention groups subject to taxation on same basis as authorized insurers at the rate of 2%. |
| MD (11/22) | Ins. §§ 25-103; 6-103 Ins. § 25-106 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2%. Purchasing groups subject to taxation on same basis as insurers at the rate of 2%. |
| MA (11/22) | Ch. 176L § 3; Ch. 63 § 23 Ch. 176L § 9 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2.28%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| MI (11/22) | § 500.1813 § 500.1831 | Nonadmitted risk retention groups are taxed at the rate of 2% on direct business plus regulatory fee of 0.5% on direct business for a risk in Mich. Risk retention group licensed as a Mich. insurer pays Single Business Tax. [Note: This statute has been declared preempted by the federal Liability Risk Retention Act of 1986.] Purchasing groups subject to same rates as premiums paid for similar coverage from similar sources. |
| MN (11/22) | § 60E.04; § 297I.05 § 60E.095 | Risk retention groups subject to taxation on same basis as admitted insurers at the rate of 2%. Purchasing groups are subject to § 297I.05 and taxed at the rate of 2%. |
| MS (11/22) | §§ 83-55-7; 27-15-103; 83-5-61 § 83-55-19 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 3%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |

**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

| STATE | CITATION | PREMIUM TAX |
|---------------|---|--|
| MO (11/22) | §§ 375.1085; 148.340; Code Regs. tit. 20 § 200-8.100 § 375.1097 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2%. Purchasing groups subject to same rate as that applicable to similar coverage from a similar insurance source. |
| MT (11/22) | §§ 33-11-104; 33-2-705 § 33-11-110 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2.75%. Purchasing groups subject to same rate as that applicable to surplus lines insurers and authorized insurers. |
| NE (11/22) | §§ 44-4406; 77-908 § 44-4418.01 | Risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 1%. Purchasing groups subject to same rate as that applicable to similar coverage from similar sources. |
| NV (11/22) | §§ 680B.027; 680B.0353; 695E.170 | Domestic risk retention groups subject to taxation on same basis as domestic insurers at the rate of 3.5%. Foreign risk retention groups registered in Nevada subject to tax on net direct premiums at the rate of 2%. |
| NH (11/22) | §§ 405-A:3; 400-A:32 §§ 405-A:9; 400-A:32 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 1.25%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources at the rate of 1.25%. |
| NJ (11/22) | §§ 17:47A-5; 17:22-6.59; 54:18A-2 § 17:47A-8 | Foreign risk retention groups subject to taxation at same rate as surplus lines insurers at the rate of 5%. Domestic risk retention groups subject to taxation at same rate as foreign admitted insurers at the rate of 2% of taxable premiums, less property taxes, plus an additional 0.1% on taxable premiums. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| NM (11/22) | § 7-40-3; 59A-55-6 | Risk purchasing groups are subject to taxation on the same basis as other insurers at the rate of 3.003% of gross written premiums. |
| NY (11/22) | Ins. § 5904; Tax § 1502-a | Foreign risk retention group deemed a licensed foreign insurer for purposes of taxation at the rate of 2%. |

**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

| STATE | CITATION | PREMIUM TAX |
|---------------|--|--|
| NC (11/22) | §§ 58-21-85; 58-22-20 § 58-22-35 | Foreign risk retention groups subject to taxation on same basis as surplus lines insurers at the rate of 5% gross premiums charged less returned premiums. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| ND (11/22) | §§ 26.1-03-17; 26.1-46-03 § 26.1-46-08.1 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 1.75%. Purchasing groups subject to same taxation rate as similar coverage from a similar source. |
| OH (11/22) | §§ 3960.02; 5729.03 § 3960.03 § 3960.09 | Domestic risk retention groups subject to taxation on same basis as domestic insurers at the rate of 1.4%. Foreign risk retention group subject to taxation on premiums for risks resident or located in Ohio at the rate of 5%. Purchasing groups subject to same rates as premiums paid for similar coverage from similar sources. |
| OK (11/22) | tit. 36 §§ 624; 6455 | Risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2.25%. |
| OR (11/22) | §§ 735.315; 731.854; 317.061 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers. Insurers subject to corporate excise tax rather than premium tax. Excise tax rate is 6.6% for first \$1 million of taxable income and 7.6% for amounts of taxable income in excess of \$1 million. |
| PA (11/22) | 40 P.S. §§ 991.1503; 991.1504; 72 P.S. § 7902 40 P.S. § 991.1512 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2%. Purchasing groups taxed on same basis as premiums paid to admitted insurers. |
| PR (11/22) | No provision | |
| RI (11/22) | §§ 27-46-4; 44-17-1 § 27-46-10 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |

**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

| STATE | CITATION | PREMIUM TAX |
|---------------|---|--|
| SC (11/22) | §§ 38-7-20; 38-87-40 §§ 38-45-20; 38-87-100; 38-45-10; Bulletin 12-09 | Foreign risk retention groups subject to taxation on same basis as admitted insurers at the rate of 1.25%. Admitted purchasing groups taxed on same basis as admitted liability insurers. Approved nonadmitted surplus lines purchasing groups taxed on same basis as approved nonadmitted surplus lines insurers at the rate of 6%. |
| SD (11/22) | §§ 10-44-2; 58-6A-5 § 58-6A-5.1 | Risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2.5%. Purchasing groups subject to same rate as similar coverage from similar insurance sources. |
| TN (11/22) | §§ 56-4-205; 56-45-104 § 56-45-110 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2.5%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| TX (11/22) | Ins. §§ 2201.155; 221.002 Ins. § 2201.257 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 1.6%. Purchasing groups subject to same rate as that applicable to similar coverage by other insurers. |
| UT (11/22) | §§ 31A-15-204; 59-9-101 §§ 31A-15-210; 31A-3-301 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2.25%. Admitted purchasing groups taxed at same rates as other admitted liability insurers. Approved nonadmitted surplus lines purchasing groups taxed at same rates as other approved nonadmitted surplus lines insurers at the rate of 4.25%. |
| VT (11/22) | tit. 8 § 6053; tit. 32 § 8551 tit. 8 § 6058 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |
| VI (11/22) | No provision | |
| VA (11/22) | §§ 38.2-5103; 58.1-2501 | Foreign risk retention groups subject to taxation on the same basis as foreign admitted insurers at the rate of 2.25%. |
| WA (11/22) | §§ 48.92.040; 48.14.020 § 48.92.095 | Foreign risk retention groups subject to taxation on same basis as foreign admitted insurers at the rate of 2%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |

**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

| STATE | CITATION | PREMIUM TAX |
|---------------|---|--|
| WV (11/22) | §§ 33-32-5; 33-3-14a; 33-3-14d; 33-3-33 | Risk retention groups subject to tax at the rate of 2% of taxable premiums, plus additional premium taxes of 2%, plus a policy surcharge of 0.55% (fire or casualty insurance policies). |
| WI (11/22) | § 618.43 | Risk retention groups, including foreign risk retention groups authorized to provide health care liability insurance that has not been issued a certificate of authority, subject to taxation on gross premiums at the rate of 3%. |
| WY (11/22) | §§ 26-36-105; 26-4-103 Ins. Gen. ch. 15, § 5 | Risk retention groups subject to taxation at the same rate as foreign admitted insurers at the rate of 0.75%. Purchasing groups subject to same rate as that applicable to similar coverage from similar insurance sources. |

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.

**PREMIUM TAXES:
RISK RETENTION AND RISK PURCHASING GROUPS**

COMPANY DEPOSIT REQUIREMENTS

The date following each state indicates the last time information for the state was reviewed/changed.

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-------------|--|---|--|---|
| AL (10/22) | § 27-3-11 | Insurer shall deposit in cash or securities not less than \$100,000 or the minimum paid-in capital stock required to be maintained if a stock insurer (or surplus if a mutual insurer), whichever is the smaller amount. | Yes | In lieu of deposit, commissioner shall accept proper certificate from any other state that like deposit is being maintained. | Yes |
| | § 27-3-12 | Surety insurer shall deposit an additional \$50,000 in cash or securities. | Yes | Surety insurer need not make additional deposit if it shows deposit in another state of at least \$200,000. | Yes |
| | § 27-3-13 | At its option, domestic title insurer may deposit \$50,000. | Yes, but maintained for protection of guaranty holders and creditors. | Title insurer shall have \$50,000 in cash or securities on deposit in state. | Yes, but maintained for protection of guaranty holders and creditors. |
| | § 27-21A-12 | An HMO beginning operation shall deposit the greater of: (1) 5% of its estimated expenditures in health care services in the first year, (2) twice its estimated average monthly uncovered expenditures for its first year of operation, or (3) \$100,000. At the beginning of each succeeding year, the insurer shall deposit an amount equal to 4% of its estimated annual uncovered expenditures for that year. Exceptions listed in statute. | Yes | No provision | No provision |
| | § 27-43-9 | Legal expense insurer shall deposit an initial amount of \$50,000. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|----------------------------|--|--------------------------------------|--|--------------------------------------|
| AK (10/22) | § 21.09.090 | Insurer shall deposit not less than \$300,000 in cash and securities. | Yes | In lieu of deposit, commissioner may accept proper certificate from any other state that like deposit is being maintained. | Yes |
| | §§ 21.66.010; 21.66.020 | Title insurer shall deposit an additional \$50,000 for each state or territorial subdivision in which it becomes qualified to sell title insurance. In addition, within 30 days after filing each annual statement, title companies shall deposit 10% of preceding year premiums up to \$50,000 in one year until the aggregate deposit of \$750,000 is reached. | Yes | Title insurer subject to same additional requirements as those for domestic title insurers. | Yes |
| | § 21.86.140 | A HMO shall deposit the greater of 10% of its estimated expenditures for health care services, twice its estimated average monthly uncovered expenditures, or \$250,000. At the beginning of each succeeding year, the insurer shall deposit an amount equal to 4% of its estimated annual uncovered expenditures for that year. Exceptions listed in statute. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------------|---|--------------------------------------|--|--------------------------------------|
| AZ (10/22) | § 20-213 | Stock insurer shall deposit cash or securities in an amount not less than the minimum required capital stock. If mutual or reciprocal insurer, an amount not less than the minimum required basic surplus. Life and disability insurer shall deposit an amount in cash, surety bonds, or securities equal to the greatest of minimum required capital stock or minimum required basic surplus, 2/3 of the aggregate reserves, or 25% of the earned premium of the prior year. No deposit required by this section shall exceed \$500,000. | Yes | In lieu of deposit, director shall accept proper certificate from any other state that like deposit is being maintained. | Yes |
| | § 20-828 | Hospital, medical, dental and optometric service corporations shall deposit \$200,000. In each succeeding year the corporation shall deposit 2% of the gross subscriptions collected during the preceding year until deposits reach \$500,000. | Yes | No provision | No provision |
| | § 20-1097.03 | Prepaid legal insurer shall maintain the amount required by § 20-213 above. | Yes | No provision | No provision |
| | § 20-1563 | Title insurer shall deposit \$250,000 plus \$50,000 for each state or territory other than state of domicile in which it shall be qualified to engage in business, up to a maximum of \$750,000. | No provision | Same as for domestic insurers. | No provision |
| | §§ 20-1722; 20-582 | Health care insurers issuing professional liability shall deposit \$300,000 and maintain additional surplus funds of \$700,000 in the first year, \$1,700,000 in the second year and \$2,700,000 each subsequent year. | Yes | No provision | No provision |

ARIZONA (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-------------|--|--|---|-------------------------------|
| AZ (cont.) | § 23-961 | Workers' compensation insurer and the state compensation fund shall deposit cash or securities in an amount equal to the greater of \$100,000 or the sum of aggregate computations less credits for approved reinsurance. | No provision | Same as for domestic insurers. | No provision |
| AR (10/22) | § 23-63-206 | Domestic insurers shall deposit securities with market value not less than \$100,000. An insurer transacting only surety insurance shall deposit securities with market value not less than \$100,000; other insurers may also transact surety insurance by depositing additional securities with a market value of \$50,000. | Yes | Foreign and alien insurers are exempt upon evidence of satisfactory deposit in another state. | No provision |
| | § 23-71-110 | In addition, each insurer shall deposit securities to guarantee any final judgment rendered against the insurer. Amount is based on admitted assets: \$1 to \$250,000, \$50,000 minimum deposit; \$250,001 to \$500,000, \$75,000 minimum deposit; \$500,001 to \$1 million, \$100,000 minimum deposit; and over \$1 million, \$150,000 minimum deposit. | Yes | Same as for domestic insurers. | Yes |
| | § 23-75-109 | Hospital and medical service corporations shall deposit \$15,000. The insurer shall deposit 2% of gross subscriptions collected the preceding year until the deposit reaches \$50,000. | Yes, including the participating hospitals and physicians. | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|---|---|--------------------------------------|--|--------------------------------------|
| CA (10/22) | Ins. § 10454 | Life insurer shall maintain a special deposit of securities for the benefit of registered policies. | Yes | Same as for domestic insurers. | Yes |
| | Ins. §§ 11691 to 11691.2; 10 C.C.R. § 2509.3 | Workers' compensation insurer shall file a deposit of not less than \$100,000. Subject to commissioner's approval, in lieu of deposit, insurer may file letter of credit. | Yes | Same as for domestic insurers. | Yes |
| | Ins. §§ 12350; 12352 | Title insurer shall deposit \$100,000 with commissioner or other designated official of home state. If deposit made in California, commissioner must approve. | Yes | Same as for domestic insurers. | Yes |
| CO (10/22) | §§ 10-3-201; 10-3-302 | Insurer shall maintain a deposit of cash or securities representing the minimum capital or guaranty fund and surplus required for the following lines: life, \$1,500,000; fire, \$1,500,000; casualty, \$1,500,000; multiple line, \$2,000,000; title, \$750,000. | Yes | Non-life insurer shall have an amount deposited with commissioner or with authorized official of another state with fair market value not less than amounts required by line. If deposit made elsewhere, commissioner shall be furnished proper certificate. | Yes |
| | § 10-16-412 | HMOs shall initially deposit \$300,000. The deposit shall at all times equal or exceed 25% of the HMO's uncovered expenditures for the previous calendar year. The insurer shall make additional deposits to maintain this level; however, the amount shall not exceed \$1 million. | Yes | No provision | No provision |
| | § 10-16-505 | Prepaid dental care plans shall deposit cash, securities, or an approved letter of credit in the amount of \$2 per enrollee or \$10,000, whichever is greater. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|----------|---|-------------------------------|--|-------------------------------|
| CT (11/22) | § 38a-83 | No provision | No provision | If another state requires its foreign insurers to deposit funds for protection of policyholders, Connecticut may require the same amount to be deposited. Alien insurer must provide certificate showing a deposit of not less than the minimum capital and surplus requirements mandated by some other state. | Yes |
| | § 38a-72 | Lists minimum capital and minimum surplus requirements. | Yes | Alien insurer may satisfy by furnishing certificate of not less than the amount required by a similar foreign insurance company or \$750,000, whichever is less. | Yes |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|--|---|--|---|
| DE (10/22) | tit. 18 § 513 | Insurer must maintain a deposit of \$100,000 in cash or securities in Delaware. Surety insurer must maintain additional \$10,000 to that amount, but not required for insurer with paid-in capital and surplus of \$10 million or more or with deposit in any state of \$400,000. Workers' compensation insurer must maintain additional \$100,000. Title insurer must maintain a deposit of \$25,000. | Yes, except additional surety insurance deposit is for contracts issued in Delaware and additional workers' compensation deposit for protection of persons in Delaware. | Insurer must maintain a deposit of \$100,000 in Delaware or another state. Commissioner shall accept certificate to this effect from official of another state. Surety insurer must maintain additional \$10,000, but not required for insurer with paid-in capital and surplus of \$10 million or more or with deposit in any state of \$400,000. Workers' compensation insurer must maintain additional \$100,000. | Yes, except additional surety insurance deposit is for contracts issued in Delaware and additional workers' compensation deposit for protection of persons in Delaware. |
| | tit. 18 § 4906 | Mutual insurer must deposit with the commissioner \$10,000 in cash or certificate of deposit issued by a bank located in the state. | Yes | No provision | No provision |
| DC (10/22) | § 31-4315 | Life insurer must maintain a deposit of securities with market value not less than \$100,000; at the discretion of the commissioner, amount may be as low as \$25,000 for a domestic insurer. | No provision | Deposit may be made with supervising official of any state or territory, and certificate of deposit shall be filed with commissioner. | Yes |
| | § 31-3412 | HMOs deposit \$300,000 | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|--|--------------------------------------|
| FL (11/22) | § 624.411 | Casualty insurer shall deposit securities with value not less than \$250,000. Other lines must maintain \$100,000 per kind of insurance, but not more than \$300,000. With determination of deteriorating financial conditions or lack of preservation of policyholder interests, additional deposit up to \$2 million may be required. | Yes | Department may require casualty insurer to maintain with department securities with value of not less than \$150,000, and for other lines, \$100,000 per kind of insurance but not more than \$200,000. Deposit not required for insurer with surplus as to policyholders of more than \$10 million. With determination of deteriorating financial conditions or lack of preservation of policyholder interests, additional deposit up to \$2 million may be required. | Yes |
| | § 628.161 | For domestic mutual life insurers, must maintain deposit of \$200,000, and other mutual insurers maintain deposit equal to 1/2 minimum initial surplus. | Yes | No provision | No provision |
| | § 642.023 | Legal expense insurance corporation shall deposit \$50,000 in securities for at least the first full year of operation. The amount shall be adjusted thereafter depending on the amount of gross written premiums. | Yes | No provision | No provision |

FLORIDA (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|--|--------------------------------------|--|--------------------------------------|
| FL (cont.) | § 634.052 | Motor vehicle service agreement company shall deposit securities in the amount of \$200,000. Service agreement companies maintaining less than \$750,000 in unearned gross premiums shall deposit \$100,000. | Yes | No provision | No provision |
| | § 634.305 | Home warranty association shall deposit \$100,000 in securities. | Yes | No provision | No provision |
| | § 641.285 | HMOs shall deposit \$300,000 in cash or securities. | Yes | No provision | No provision |
| | § 634.405 | Service warranty association shall deposit \$50,000 with the department before issuance of a license or collecting any premiums. Deposit may increase depending on the amount of gross written premiums. | Yes | No provision | No provision |
| | § 641.409 | Prepaid health clinics shall deposit \$30,000 in cash with the department. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|---|--------------------------------------|
| GA (11/22) | § 33-3-8 | To transact one class of insurance, insurer must maintain deposit of \$100,000 in securities and \$25,000 for each additional class of insurance but no more than \$200,000 for any combination of classes. | No provision | In lieu of deposit, insurer may present certificate that a like deposit has been made in another state. | Yes |
| | § 33-3-9 | No provision | No provision | Where deemed by commissioner to be in best interests of residents, he or she may require the insurer to deposit securities eligible for the investment of capital funds in such amount as the commissioner shall require. | Yes |
| | § 33-3-10 | Commissioner may require additional special deposits of securities as he or she may deem reasonable and necessary for the protection of the public. | Yes | Yes | Yes, for those in Georgia. |
| | § 33-35-6 | Prepaid legal services insurers shall deposit \$25,000 in securities or a bond approved by the commissioner. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|----------------------------|--|--------------------------------------|---|--------------------------------------|
| HI (11/22) | §§ 431:3-205; 431:3-209 | Subject to capital funds requirements, insurer not existing or authorized on July 1, 1988, shall deposit paid-up capital stock if a stock insurer or unimpaired surplus if a reciprocal insurer or mutual insurer not seeking to qualify on basis of applications and premiums collected. Minimum amounts: life, \$600,000; accident and health or sickness, \$450,000; property, \$750,000; marine and transportation, \$1,000,000; vehicle, \$1,000,000; general casualty, \$1,500,000; surety, \$1,000,000; title, \$400,000. | No provision | Insurer must maintain deposit equal to greater of paid-up capital stock if a stock insurer or surplus required of a like domestic insurer if a mutual or reciprocal insurer, or the sum of \$500,000, whichever is greater. In lieu of all or part of deposit, the commissioner shall accept a certificate from another state showing a deposit of at least \$500,000 is maintained there by that insurer. Commissioner may require special deposit in amount determined by him or her to be placed in federally insured institution in Hawaii. | Yes |
| | § 431:3-208 | Mutual or reciprocal insurer shall deposit surplus in amount equal to paid-up capital stock required for like stock insurer in order to transact a combination of classes of insurance as listed in § 431:3-205, Schedule A. Maintain a sum total not to exceed \$2.5 million and obtain first the approval by the commissioner for any withdrawals from this deposit. | No provision | No provision | No provision |

HAWAII (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|----------------------------------|--|--------------------------------------|--|--------------------------------------|
| HI (cont.) | § 432D-8 | HMOs shall deposit \$300,000 in cash or securities. | Yes | No provision | No provision |
| | § 432G-6 | Dental insurers shall deposit \$300,000 in cash or securities. | Yes | No provision | No provision |
| | § 432:1-407 | Mutual benefit society shall deposit \$300,000 in cash or securities. | Yes | No provision | No provision |
| | § 431:20-108 | Title insurer shall deposit \$400,000 in cash or securities. | Yes | In lieu of deposit, insurer may present certificate that a like deposit has been made in another state. | Yes |
| ID (11/22) | §§ 41-316; 41-316A; 41-313 | Insurer shall maintain deposit of cash or securities equal to minimum capital for a stock insurer, and basic surplus for a mutual or reciprocal insurer. | Yes | Insurer shall deposit cash or securities in amount of \$1 million, except that non-title insurer may present instead a certificate that it has made a like deposit in the insurer's state of domicile and is in good standing with the appropriate guaranty association. For title insurers, in lieu of the deposit, director shall accept certificate from official supervising title insurers in another state the like deposit is maintained. Insurer requiring agents to maintain a separate trust account shall make deposit of 20% of gross written premiums subject to premium tax. | Yes |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|--|---|--------------------------------------|--|--------------------------------------|
| IL (11/22) | 215 ILCS 5/26 (scheduled to sunset 1/1/2027) | Stock insurer shall maintain deposit of securities equal to required minimum capital and surplus. | Yes | No provision | No provision |
| | 215 ILCS 5/53 (scheduled to sunset 1/1/2027) | Mutual insurer shall maintain deposit of securities equal to required minimum surplus. | Yes | No provision | No provision |
| | 215 ILCS 5/111 (scheduled to sunset 1/1/2027) | No provision | No provision | Insurer shall deposit securities equal in amount to that required for domestic insurers or satisfy the director that a similar deposit has been made with another state. | Yes |
| | 215 ILCS 125/2-6 | HMOs maintain deposit of \$300,000. | Yes | No provision | No provision |
| | 215 ILCS 5/341 | Burial societies shall maintain a deposit with the director of at least \$1,000. The amount of the deposit will vary depending on the number of membership. | No provision | No provision | No provision |
| | 215 ILCS 155/4 | Title insurers shall deposit \$1 million in cash or securities. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-------------------------------|--|--------------------------------------|---|--------------------------------------|
| IN (11/22) | §§ 27-1-6-14; 27-1-17-6 | Stock insurer must deposit 25% of paid-in capital if organized before July 1, 1977, and 10% of paid-in capital if organized after June 30, 1977. | No provision | A foreign insurer shall deposit \$100,000 or satisfy the department that it has like deposit with the proper official of another state. | Yes |
| | § 27-1-6-15 | Mutual insurer, not including farm mutual, must deposit cash or U.S. obligations of \$25,000 if organized before June 30, 1955; \$50,000 if organized after June 29, 1955, but before Mar. 7, 1967; and \$100,000 if organized after Mar. 6, 1967. | No provision | No provision | No provision |
| | § 27-1-12-11 | Life insurer shall deposit the lesser of the reserve value or reserve liabilities, or \$1 million (or greater amount as deemed necessary) when added to deposits required under other sections. No deposit required until amount prescribed exceeds amount otherwise required for stock and mutual insurers. | Yes | No provision | No provision |
| | § 27-7-3-7 | Title insurer shall deposit \$50,000 in securities from its capital or surplus. | No provision | No provision | No provision |
| | § 27-10-3-15 | Bail bond insurers deposit \$75,000 in cash. | No provision | No provision | No provision |
| | §§ 27-13-13-1; 27-13-34-17 | HMOs and limited HMOs shall deposit \$50,000 of cash or securities with the commissioner, or a bank or trust company approved by the commissioner. | Yes | No provision | No provision |
| IA (11/22) | §§ 508.5; 508.6 | Life insurer shall deposit securities equal to required capital and surplus (\$5 million for stock life insurer). | No provision | Same as for domestic insurers. | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|--------------------------|---|--------------------------------------|--|--------------------------------------|
| KS (11/22) | §§ 40-401; 40-402 | Stock or mutual life insurer shall deposit at least \$400,000 in securities. | Yes | Same as for domestic insurers. If a company has such a deposit with another state, Kansas will not require one. | Yes |
| | § 40-601 | Mutual assessment life associations shall deposit \$10,000 in addition to all other required applicable deposits. | Yes | No provision | No provision |
| | § 40-901 | Stock fire insurer shall deposit \$450,000. | No provision | Same as for domestic insurers. | No provision |
| | §§ 40-1102 to 40-1104 | Multiple lines insurer shall deposit \$900,000, unless it has a capital stock of at least \$450,000 and a surplus of at least \$300,000, and shall have deposited with the commissioner of insurance in an amount equal to the minimum capital stock. | Yes | Same as for domestic insurers, except deposit may be made with insurance department of another state. | No provision |
| | § 40-1001a | Mutual fire insurer shall deposit at least \$50,000 in securities. | No provision | No provision | No provision |
| | § 40-1027 | Mutual fire and tornado insurer shall deposit securities in amount of \$150,000 for expanded insurance contracting authority. | Yes | No provision | No provision |
| | §§ 40-1102 to 40-1104 | Title insurer shall deposit at least \$450,000. | Yes | Same as for domestic insurers, except deposit may be made with insurance department of another state. | Yes |
| | § 40-1519 | Mutual hail insurer shall deposit \$50,000. | Yes | No provision | No provision |

KANSAS (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------------|--|--|--|---|
| KS (cont.) | §§ 40-1102 to 40-1104 | Legal expense insurer shall deposit \$450,000. | Yes | Same as for domestic insurers, except deposit may be made with insurance department of another state. | Yes |
| | § 40-3227 | HMOs shall deposit \$150,000 in cash or securities for a medical group or staff model HMO, or \$300,000 in cash or securities for an individual practice association. | Yes | Same as for domestic insurers. If a company has such a deposit with another state, Kansas will not require one. | Yes, for the benefit of Kansas enrollees. |
| KY (11/22) | § 304.8-020 | No provision | All deposits shall be held by the commissioner in trust for the benefit and protection of all of the insurer's policyholders and creditors in the United States. | No provision | No provision |
| | § 304.3-140 | Insurer, not including title insurer, must deposit cash or securities with fair market value not less than minimum required capital stock if a stock insurer, or minimum required basic surplus if a mutual or reciprocal insurer. Title insurer shall deposit cash or securities with fair market value not less than minimum required capital stock. | Yes | In lieu of a deposit in this state, foreign insurer may present a certificate that they have a deposit of like quality and amount maintained in another state. | Yes |

KENTUCKY (cont.)

COMPANY DEPOSIT REQUIREMENTS

| TATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|---|--|
| KY (cont.) | § 304.3-320 | No provision | No provision | Foreign life or health insurers admitted to do business in the state which do not have life or health insurance guaranty association or guaranty fund may be required by the commissioner to deposit between \$100,000 and \$1 million. | Yes, for protection of Kentucky policyholders. |
| | § 304.8-150 | Life insurer shall deposit assets not less than valuation of all policies in force less any sums advanced to policyholders. No further deposit required if legal reserve or valuation of all policies in force equals \$20 million. | Yes | No provision | No provision |
| | § 304.38-073 | HMOs shall deposit \$500,000 in cash or securities. Commissioner may require an additional deposit is necessary for the protection of the HMO's enrollees. | Yes | No provision | No provision |
| | § 304.50-050 | Workers' compensation self-insured groups shall deposit \$250,000, 10% of the annual premium, or 10% of the reserve requirement as established in the most recent audited statement of financial condition on file with the commissioner, whichever is greater. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|----------------------|---|--------------------------------------|--|--------------------------------------|
| LA (11/22) | § 22:365 | Vehicle mechanical breakdown insurers shall deposit \$150,000 in securities. In lieu of the deposit of securities, the insurer may deposit a surety bond upon the approval of the commissioner. | Yes | No provision | No provision |
| | § 22:385 | Residential value insurers shall deposit \$150,000 in securities. In lieu of the deposit of securities, the insurer may deposit a surety bond upon the approval of the commissioner. | Yes | No provision | No provision |
| | § 22:454 | Self-insurers shall deposit \$100,000 or 30% of its outstanding Louisiana-related reserve liabilities, whichever is greater. | Yes | No provision | No provision |
| | §§ 22:801; 22:802 | The commissioner may, as a condition of the issuance or maintenance of a certificate of authority, order an insurer to make and maintain a deposit based upon the type, volume, or nature of insurance business transacted. | Yes | No provision | No provision |
| | § 22:809 | Life insurer may deposit securities equal to the legal reserve for all outstanding policies in force. | No provision | Same as for domestic insurers. | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-------------------------|--|--------------------------------------|--|--------------------------------------|
| ME (11/22) | 24-A M.R.S.A. § 412 | Insurer must maintain deposit of \$100,000 in securities. This does not apply to title or mutual fire insurer transacting business on the assessment plan. | Yes | Insurer may provide instead a certificate that it has at least \$100,000 on deposit in another jurisdiction. | Yes |
| | 24-A M.R.S.A. § 6607 | A multiple-employer welfare arrangement shall deposit securities in the amount equal or greater of either 25% of the immediately preceding 12 months' health care claims expenditures or 15% of the expected gross annual contributions for the current year. A surety bond may be filed in lieu of the securities. The deposit shall not be less than \$50,000 or exceed \$1 million, unless the superintendent determines otherwise. | Yes | No provision | No provision |
| MD (11/22) | Ins. § 4-106 | Insurer shall deposit \$100,000 in cash or government securities. | Yes | Insurer may provide instead a certificate showing that a like amount is deposited in another state. | Yes |
| | Health Gen. § 19-710 | To qualify for a certificate of authority to operate as a health maintenance organization, an applicant shall deposit and maintain in trust \$100,000 in cash or acceptable government securities. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-------------------|---|--------------------------------------|---|--------------------------------------|
| MA (11/22) | Ch. 175 § 151 | No provision | No provision | Insurer must satisfy the commissioner that it has made a satisfactory deposit with official of another state; also required to make deposit for benefit of Massachusetts policyholders. | Yes |
| | Ch. 175 § 90B | Mutual surety insurer shall deposit \$200,000 in cash or securities. | No provision | No provision | No provision |
| | Ch. 175 § 106 | No provision | No provision | Surety insurer must satisfy commissioner that it has made a satisfactory deposit with official of another state in amount not less than \$100,000. | Yes |
| | Ch.175 §§ 93; 93F | Mutual liability companies shall deposit not less than \$200,000 in cash or securities. | No provision | No provision | No provision |
| | Ch. 175 § 116 | Title insurer shall set aside in a “guaranty fund” the greater of \$100,000 or 2/5 of its capital. | Yes | Same as for domestic insurers. | Yes |
| MI (11/22) | § 500.411 | Insurer shall deposit cash or securities of \$300,000 or a larger amount as the commissioner considers appropriate. | Yes | No deposit required for foreign insurer if maintains deposit in the state of domicile in the same amount and for the same purposes as required for domestic insurers. | Yes |
| | § 500.3553 | HMOs shall maintain a deposit in an amount determined adequate by the commissioner to comply with § 403. The deposit shall not be less than \$100,000 plus 5% of annual subscription revenue up to a \$1 million maximum. | Yes | No provision | No provision |

MICHIGAN (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|------------|--|-------------------------------|---|--|
| MI (cont.) | § 500.1921 | Surplus Lines Insurance Act - An unauthorized insurer shall deposit \$75,000 in cash or marketable securities with the state or maintain a trust fund of \$1 million in a U.S. bank in its domiciled state. | Yes | Same as for domestic insurers. | Yes |
| MN (11/22) | § 60A.10 | Insurer, other than farmer’s mutual or title company, shall deposit the lesser of securities with market value of at least \$500,000 or 50% of the capital and surplus requirements as required in §§ 60A.07, 66A.32, and 66A.33. | Yes | Insurer may present proof of like deposit in another state. May require special deposit in MN as well. | Yes, and commissioner may require a special deposit for protection of Minnesota policyholders and claimants. |
| | § 62A.4523 | Prepaid limited health service organization shall deposit \$50,000 plus 25% of the tangible net equity required in subd. 1. The deposit must not be required to exceed \$200,000. | Yes | The commissioner may reduce or eliminate deposit if the organization presents proof of like deposit in another state. | Yes |
| | § 62D.041 | HMOs shall deposit \$500,000. In April 1 of subsequent years, the organization shall deposit the difference between the amount on deposit and 33% of its uncovered expenditures in the preceding year. HMOs offering supplemental benefits will be required to make additional deposits. | No provision | No provision | No provision |
| | § 68A.01 | Title insurer shall set aside as a “guaranty fund” the greater of \$100,000 or 2/5 of capital stock. | No provision | Insurer may make deposit with domicile state. | No provision |
| | § 79A.04 | Workers’ compensation private self-insuring employer shall deposit 110% of the private self-insurer’s estimated future liability. | No provision | No provision | No provision |

MINNESOTA (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-------------------------------------|---|--------------------------------------|--|--|
| MN (cont.) | § 79A.24 | Workers' compensation commercial self-insurance group shall deposit 125% of the group's estimated future liability for the payment of compensation as determined by an actuary. If the group has been in existence for three years, then deposit shall be 110% instead of 125%. | No provision | No provision | No provision |
| MS (11/22) | § 83-7-21 | Life insurer shall deposit \$100,000. | Yes | No provision | No provision |
| | §§ 83-15-5; 83-19-31; 83-21-3 | Insurer shall deposit 50% of its capital stock in cash, bonds, or securities. | No provision | Insurer shall deposit securities in amount not less than \$50,000, but may present instead a certificate from domicile state that it has deposited like amount there. | Yes, but where insurer presents certificate, commissioner may require deposit of additional \$50,000 for benefit of Mississippi policyholders. |
| | § 83-41-325 | HMOs shall maintain a deposit of \$500,000. | Yes | No provision | No provision |
| MO (11/22) | § 375.891 | No provision | No provision | In lieu of deposit, insurer may present a certificate that a like deposit is being maintained in another state. Director may require additional deposits for the protection of Missouri policyholders. | Yes |
| | § 376.290 | Life, health, and accident insurers shall deposit \$600,000 in notes or bonds secured by mortgages or deeds of trust. | Yes | No provision | No provision |

MISSOURI (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|---|--|
| MO (cont.) | § 379.098 | Non-life insurer shall deposit amount of required minimum capital if a stock company, or if a mutual company, an equal amount not to exceed required policyholders' surplus. | Yes | No provision | No provision |
| MT (11/22) | § 33-2-111 | An insurer other than a domestic life insurer shall deposit cash or securities in an amount not less than the minimum paid-in capital stock if a stock insurer, or the minimum required surplus if a mutual or reciprocal insurer. The amount for a title insurer shall be \$100,000. | Yes | In lieu of a deposit, insurer may present a certificate that a like deposit is being maintained in another state. Deposits must be in cash or securities. | Yes, including Montana policyholders or creditors. |
| | § 33-2-416 | A domestic life insurer shall deposit in securities and assets an amount not less than the reserves on outstanding life insurance policies and annuity contracts less policy loans but may credit amounts otherwise held for policyholder protection. | Yes | No provision | No provision |
| | § 33-31-216 | HMOs shall deposit \$200,000 in cash and securities in its first year of operation. At the beginning of each succeeding year the organization shall deposit an amount equal to 4% of its estimated annual uncovered expenditures for that year. Exceptions listed in statute. | No provision | No provision | No provision |
| | § 33-35-203 | Self-funded multiple welfare arrangements shall deposit \$200,000. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|----------------------------|--|---|---|--------------------------------------|
| NE (11/22) | §§ 44-319.02; 44-319.06 | Insurer shall deposit \$100,000 in securities. | Yes | Insurer shall deposit securities in amount not less than \$100,000 with Nebraska or another state. | Yes |
| | § 44-821 | Domestic health and accident associations shall deposit \$10,000 in cash or securities. | No provision | No provision | No provision |
| | § 44-3308 | Legal expense insurer shall deposit \$150,000 in securities or a surety bond. | Yes, all persons sustaining an actionable injury. | No provision | No provision |
| | § 44-3808 | Prepaid dental service corporations shall deposit \$50,000 in securities or a surety bond. | Yes, all persons sustaining an actionable injury. | No provision | No provision |
| | § 44-4719 | Prepaid limited health services organization shall maintain a fidelity bond in the amount of \$50,000. In lieu of the bond, the organization may deposit \$50,000 in cash or securities. | No provision | No provision | No provision |
| | § 44-32,139 | HMOs shall deposit \$150,000 the first year and \$300,000 for the second year in cash or securities. | Yes | The director may reduce or eliminate deposit if the organization presents proof of like deposit in another state. | Yes |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|--|--------------------------------------|
| NV (11/22) | § 680A.140 | Insurer, other than title insurer, shall deposit cash or securities with fair market value not less than its minimum required capital stock if a stock insurer, or minimum required basis surplus if a mutual or reciprocal insurer. Title insurer shall deposit cash or securities of fair market value not less than its minimum required capital stock as a guaranty fund. | Yes | In lieu of a deposit, insurer may present certificate that deposit of like quality and amount is maintained in another state. | Yes |
| | § 690B.130 | Home protection insurer, other than a casualty insurer, shall deposit \$50,000 in securities. In lieu of securities, insurer may post a surety bond. | Yes | In lieu of a deposit, insurer may furnish evidence that a deposit of like amount is maintained in compliance with the domiciled state. | Yes |
| | § 696A.080 | A motor club shall deposit \$100,000 in cash, securities, or a surety bond. | Yes | In lieu of a deposit, insurer may furnish evidence that a deposit of like amount is maintained in another state. | Yes |
| | § 695D.170 | Dental care plans shall deposit \$500,000 in cash, securities, or a surety bond. The officers responsible for operating the organization must file a collective fidelity bond for \$1,000,000. | No provision | No provision | No provision |
| | § 695C.270 | HMOs shall deposit an amount satisfactory to the commissioner in cash, securities, or a surety bond. | Yes | No provision | No provision |
| | § 689C.560 | A voluntary health insurance purchasing group shall post a bond or make a deposit in an amount determined by the commissioner. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|---------------------|---|--------------------------------------|--|--------------------------------------|
| NH (11/22) | § 402:2 | Mutual property and casualty insurer shall deposit \$300,000 or \$500,000 in cash or securities, depending on type of risk. | No provision | No provision | No provision |
| | § 411:1 | Stock life insurer shall deposit \$300,000 in capital stock. | No provision | No provision | No provision |
| | § 411:3 | Mutual life insurer shall deposit \$200,000 in securities. | No provision | No provision | No provision |
| | §§ 411:8; 402:73 | At commissioner's discretion, life insurer may be required to deposit up to the greater of \$1 million or the amount of deposit required under any applicable law of another state. | Yes | No provision | No provision |
| | § 415-E:7 | Multiple-employer welfare arrangements shall deposit, within 30 days after the close of the fiscal year, \$100,000 or 25% of the aggregate premiums billed during the 12 prior months attributable to New Hampshire residents, whichever is greater. In lieu of the deposit, may file with the commissioner a surety bond in like amount. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|--|--------------------------------------|
| NJ (11/22) | § 17:20-1 | Insurers, excluding certain mutual insurers, shall deposit securities with market value of at least \$100,000 to be held in physical form or purchased for its account in the Federal Reserve book-entry system. Commissioner may require additional deposits up to the sum of \$250,000. | Yes | No provision | No provision |
| | § 17:32-3 | No provision | No provision | In lieu of a deposit, insurer may furnish evidence that a deposit of like amount is maintained in another state, of an amount not less than \$200,000. | Yes |
| | § 17B:18-37 | Life and health insurers shall deposit securities with market value of at least \$100,000 to be held in physical form or purchased for its account in the Federal Reserve book-entry system. Commissioner may require additional amounts up to sum of \$250,000. | Yes | No provision | No provision |
| | § 17:46B-7 | Title insurer shall deposit \$100,000 in cash or securities in state of domicile plus \$50,000 for each additional state (less amounts required by other states) in which it does business, up to \$250,000 total in New Jersey or other states. | Yes | Same as for domestic insurers. | Yes |
| | § 17:48F-15 | A prepaid service organization shall deposit \$25,000 (adjusted annually in accordance with the Consumer Price Index), plus 25% of the tangible net equity required by § 114. The deposit shall not exceed \$100,000. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|---|--|--|--|---|
| NM (11/22) | §§ 59A-5-16; 59A-5-18 to 59A-5-19 | <p>General Deposit for P&C Insurers: Under \$5 million of premium volume, deposit is \$200,000 for one line and \$300,000 for two lines. Over \$5 million of premium volume, deposit is \$500,000.</p> <p>General Deposit for Life/Health Insurers: \$200,000.</p> <p>Special Deposit for P&C Insurers: \$200,000 for one line and \$300,000 for two lines.</p> <p>Special Deposit for Life/Health Insurers: \$200,000.</p> | <p>Yes, but may also make special deposit for New Mexico policyholders only, because of volume of business, methods of doing business, etc. May be no greater than 115% of direct unpaid losses in New Mexico.</p> | <p>In lieu of deposit, superintendent shall accept certificate from another state indicating that like deposit maintained there.</p> | <p>Yes, but also required to make special deposit or file surety bond for New Mexico policyholders.</p> |
| | § 59A-58-6 | <p>Service contract providers shall deposit \$50,000 in securities, a surety bond or a clean and irrevocable letter of credit, except providers covering motor vehicles; and mechanical, plumbing and electrical systems and appliances at a residential dwelling when the service contract was sold in conjunction with the sale of the residential dwelling shall deposit \$100,000. Major manufacturers' service contracts are exempt from provision.</p> | <p>Yes</p> | <p>No provision</p> | <p>No provision</p> |
| | § 59A-46-13 | <p>HMOs shall deposit equal \$150,000 and, in the second year, the amount of the additional deposit for a health maintenance organization that is in operation on the effective date of this section shall be equal to 150,000, for a total of three hundred thousand dollars \$300,000.</p> | <p>Yes</p> | <p>No provision</p> | <p>No provision</p> |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|---|--------------------------------------|
| NY (11/22) | Ins. § 1319 | No provision | No provision | Insurer shall deposit with superintendent, or with the officer of its home state, securities equal to the requirement for like domestic insurers. | Yes |
| | Ins. § 4104 | Property/casualty insurer shall deposit at least \$500,000 in securities, required paid-in capital, or required minimum surplus, but in no event shall the amount be less than \$400,000 for stock companies writing any two types of insurance. Deposit of \$500,000 in securities required for a mutual property/casualty company that issues non-assessable policies. Amounts reduced by 50% for any property/casualty insurer licensed in New York before July 1, 1982. | No provision | In lieu of a deposit, superintendent shall accept certificate from state of domicile that like amount deposited there. | Yes |
| | Ins. § 4206 | Life insurers shall deposit at least \$100,000 in securities; at least \$200,000 for insurers licensed on or after July 1, 1982. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|------------------------------------|---|--------------------------------------|--|--------------------------------------|
| NC (11/22) | § 58-5-55 | Stock insurer shall deposit required statutory capital and nonstock insurer shall deposit required statutory surplus. Mutual insurer shall deposit at least 50% of minimum required surplus. | Yes | No provision | No provision |
| | §§ 58-5-5; 58-5-15; 58-5-90 | No provision | No provision | Fire, marine, and fire and marine insurers shall deposit with commissioner securities with market value of \$100,000 (§ 58-5-5). | Yes |
| | §§ 58-5-10; 58-5-15; 58-5-90 | No provision | No provision | Fidelity, surety, and casualty insurers shall deposit with commissioner securities with market value of \$200,000 (§ 58-5-10). | Yes |
| | §§ 58-5-50; 58-5-90 | No provision | No provision | Life insurer shall deposit securities with market value of \$400,000 and an additional \$200,000 if it cannot show three years net operational gains prior to admission. | Yes |
| | § 58-5-40 | Commissioner may require additional amounts where he or she determines it is in the public interest. | Yes | Same as for domestic insurers. | Yes |
| | § 58-47-90 | Workers' compensation self-insurance employer groups shall deposit 10% of the group's total annual earned premium, according to the group's annual statement filing, with a minimum deposit of \$600,000. | Yes | No provision | No provision |

NORTH CAROLINA (cont.)

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|--|--------------------------------------|
| NC (cont.) | § 58-67-25 | Full-service HMOs shall deposit \$500,000 and single service HMOs shall deposit \$25,000. | Yes | No provision | No provision |
| | § 58-69-10 | Motor clubs shall deposit \$50,000 in securities or a surety bond. | No provision | No provision | No provision |
| ND (11/22) | § 26.1-05-23 | Life insurer must deposit securities equal to the net value of all the policies the company has in force. In lieu of deposit, insurer may file list of items of security held by insurer in amount equal to net value of all policies in force. | Yes | No provision | No provision |
| | § 26.1-11-05 | No provision | No provision | Foreign accident and health insurers shall deposit an amount sufficient to pay average loss occurring among its members during the time allowed for payment of losses. Minimum deposit of \$10,000 in bonds. | Yes |
| | § 26.1-17.1-17 | Prepaid limited health service organizations shall deposit \$25,000 plus 25% of its tangible net equity in cash or securities. The deposit shall not exceed \$100,000. | Yes | No provision | No provision |
| | § 26.1-18.1-12 | HMOs shall maintain a deposit of \$300,000 in cash or securities. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|--|---|--------------------------------------|---|--------------------------------------|
| OH (11/22) | §§ 3907.07; 3909.03 | Legal reserve life insurer shall deposit at least \$100,000 in stocks, bonds, or mortgages. | Yes | Life insurer shall deposit \$100,000 in certain interest-paying bonds or stocks with Ohio or home state. Commissioner must have certificate verifying deposit. | Yes |
| | §§ 3929.10; 3929.01; 3929.07; 3929.11 | Non-life fidelity or guaranty insurer shall deposit \$200,000 in securities. | Yes | Non-life fidelity or surety insurer shall deposit \$50,000 in designated bonds in addition to any other deposit requirements. In lieu of this deposit, insurer may deposit \$100,000 in securities in another state and present certificate to that effect. Non-life fidelity or guaranty insurer shall deposit \$200,000 in designated securities. If deposit made elsewhere, superintendent shall be presented with certificate to that effect. | Yes |
| | § 3953.06 | Title insurer shall deposit \$50,000. | Yes, for those in Ohio. | Same as for domestic insurers. | Yes, for those in Ohio. |
| | § 1751.27 | Health insuring corporation amount varies. | Yes | Same as for domestic insurers. | Yes |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-------------------------------|---|--------------------------------------|---|--------------------------------------|
| OK (11/22) | tit. 36 §§ 613; 1702; 5001 | Insurer incorporated or authorized after Nov. 1, 1980, shall deposit \$300,000 in cash or securities. Commissioner may require a greater amount if warranted. If incorporated or authorized before effective date, insurer shall deposit cash or securities in amount not less than required surplus in regard to policyholders; not less than \$100,000 for life and accident and health insurers. | Yes | Same as for domestic insurers; in lieu of deposit, commissioner may accept certificate that like deposit being maintained in another state. | Yes |
| | tit. 36 § 2503 | Limited stock life, accident, and health insurers shall deposit securities with value not less than \$20,000. | Yes | Same as for domestic insurers. | Yes |
| | tit. 36 § 2604 | Hospital service and medical indemnity corporations shall deposit, not later than each Feb. 1, 2% of the gross subscriptions collected during the preceding calendar year until the deposit reaches \$25,000. | Yes | No provision | No provision |
| | tit. 36 § 6146 | Prepaid dental plans' deposit amount varies depending on the number of members. | Yes | No provision | No provision |
| | tit. 36 § 6913 | HMOs shall deposit \$500,000 in cash or securities. | Yes | No provision | No provision |
| | tit. 36 § 2907 | Reciprocal insurers shall maintain a deposit of \$100,000 when transacting property insurance, and \$150,000 when transacting vehicle insurance. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|--------------------------|--|--|--|--------------------------------------|
| OR (10/22) | §§ 731.624; 731.608 | No provision | No provision | Surety insurer shall deposit with director \$250,000; title insurer, \$100,000; home protection insurer, \$100,000; and mortgage guaranty insurer, \$500,000. | Yes |
| | §§ 731.628; 731.608 | Workers' compensation insurer shall deposit the greater of \$100,000 or an amount determined by formula. | Held for the payment of compensation benefits. | Same as for domestic insurers. | Yes |
| | §§ 731.632; 731.608 | Reciprocal insurer shall deposit \$50,000. | Yes | No provision | No provision |
| | § 731.616 | If assets deposited subject to material fluctuations in market value, director may require the deposit of additional assets. | No provision | Same as for domestic insurers. | No provision |
| PA (10/22) | 40 P.S. § 832 | Surety insurer shall deposit at least \$100,000 in securities. No deposit for other insurers. | Yes | Same as for domestic insurers. | Yes |
| | 31 Pa. Code § 301.121 | HMOs shall deposit \$100,000 in cash or securities. | To pay administrative costs in event of liquidation. | May provide certificate of like deposit in state of domicile. | Yes |
| PR (10/22) | tit. 26 § 313; 315a | Must maintain deposit equal to 50% of paid in capital (stock insurer) or surplus (mutual insurer). Deposit will not be greater than \$1 million. | Yes | Same as for domestic insurers. Deposit will not be greater than \$1 million. Certificate is acceptable if company's domicile would extend a similar privilege. | Yes |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|--|--------------------------------------|
| RI (10/22) | § 27-2-6 | No provision | No provision | Insurer shall deposit at least \$100,000 in securities in state of domicile or principal place of business and provide certificate to that effect to commissioner. Does not apply if licensed before June 1, 1978. | Yes |
| | § 27-1-5 | No provision | No provision | General treasurer shall hold deposits required by other states for benefit of policyholders. | Yes |
| | § 27-2-6.1 | No provision | No provision | Special deposit may be required as a condition of licensing. | Yes, for those in Rhode Island. |
| | § 27-41-13 | HMOs shall deposit the greater of 5% of its estimated expenditures for health care services for its first year of operation; twice its estimated average monthly uncovered expenditures for its first year of operation; or \$100,000. At the beginning of each succeeding year, the organization shall deposit 4% of its estimated annual uncovered expenditures for that year. Exceptions listed. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|------------------------|---|---|--|--------------------------------------|
| SC (10/22) | §§ 38-9-80; 38-9-90 | Insurer shall deposit certificates of deposit or other securities with market value not less than \$10,000 nor more than \$200,000, as determined by director. Director may require greater amount. | Yes, but held as security for claims arising out of failure to meet obligations incurred in South Carolina. | Same as for domestic insurers. | No provision |
| | § 38-9-100 | No provision | No provision | If a stock insurer has at least \$10 million in capital and surplus, or at least \$10 million in surplus if a mutual, fraternal, or reciprocal insurer, and has deposited at least \$1 million in acceptable securities with another state, the director may accept a certification of deposit from that state instead of requiring a deposit. | Yes |
| | § 38-15-30 | Surety insurer shall deposit an additional \$100,000 in bonds. | To pay final judgment for loss and liability against insurer. | Same as for domestic insurers. | No provision |
| | § 38-33-130 | HMOs shall deposit \$300,000 in cash or securities. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------------------|--|---|---|--------------------------------------|
| SD (10/22) | §§ 58-6-33 to 58-6-35 | Insurers, excluding title and certain mutual insurers shall deposit at least \$200,000 in cash or securities. | Yes | In lieu of deposit, director shall accept certificate from another state that like deposit being maintained there. | Yes |
| | § 58-6-36 | Title insurer shall deposit \$100,000 in cash or securities. Domestic insurer transacting business before July 1, 1966, shall deposit \$25,000 plus additional amounts up to \$100,000. | No provision | Same as for domestic insurers. | No provision |
| | §§ 58-7-1, et seq.; 58-6-34 | P&C or health insurer shall deposit at least 50% of the required unearned premium reserves on outstanding policies. Life insurers shall deposit an amount not less than the required reserves on their outstanding policies, including annuity and supplementary contracts, but excluding §§ 58-26-1(3) and 58-26-1(4) finances. | All deposits held in this state shall be held for benefit of all policyholders. | In lieu of the deposit, the director shall accept the certificate from another state that like deposit is being maintained there. | Yes |
| | § 58-22-24 | Professional bondspersons shall deposit \$10,000 and an amount necessary to cover forfeitures as required to be filed annually. | No provision | Same as for domestic insurers. | No provision |
| | § 58-41-11 | HMOs shall deposit cash, securities or a surety bond in an amount determined by the director. | Yes | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|---|--|--------------------------------------|--|--------------------------------------|
| TN (10/22) | §§ 56-2-103; 56-2-104; 56-2-405; 56-16-202; 56-19-124; 56-21-102; 56-15-105; 56-35-112 | Life \$200,000 Property 100,000 Casualty 100,000 Surety 100,000 Title 100,000 Mutual fire insurance companies not having guaranty capital securities must deposit securities equal to 10% of net written premiums, annually, not to exceed the requirements of § 56-2-104(a)(4). | Yes | Required deposit for foreign insurers is \$200,000. Foreign insurers may satisfy the requirements with a deposit in their domiciliary state. | Yes |
| TX (10/22) | Ins. § 425.002 | Life insurer may deposit securities equal to legal reserves on all outstanding policies in force. | Yes | No provision | No provision |
| | Ins. § 2551.201 | Title insurer must deposit cash or securities in an amount equal to ¼ authorized capital not to exceed \$100,000. | Yes | Same as for domestic insurers. | Yes |
| | Ins. § 406.006 | An insurer may be required to make a special deposit for practices that may be hazardous to the insurer's policyholders, enrollees, creditors or public. | No provision | Same as for domestic insurers. | No provision |
| | Ins. § 843.405 | HMOs shall deposit in cash and securities an initial amount of \$100,000 for a HMO offering basic health care services; \$75,000 for a HMO offering limited health care services; and \$50,000 for a HMO offering a single health care services plan. Deposits in subsequent years shall be computed by the formula provided. Exceptions listed. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------------------|--|---|--|--------------------------------------|
| UT (10/22) | §§ 31A-4-105 to 31A-4-105.5 | Stock and mutual insurers, service insurance corporations, nonprofit health service corporations, and fraternal benefit societies shall deposit an amount equal to required capital if a stock insurer, or minimum permanent surplus if a mutual insurer. | No provision | Insurer shall deposit an amount equal to required capital if a stock insurer, or minimum permanent surplus if a mutual insurer. This deposit may be maintained in another state. | Yes |
| | § 31A-11-106 | Motor clubs shall deposit \$100,000 in cash, securities, or a surety bond. | Any person with a claim against the motor club. | No provision | No provision |
| | § 31A-8-211 | HMOs shall maintain a deposit of \$100,000 and 50% of the greater of either \$900,000 or 2% of the annual premium reserves as reported on the most recent annual financial statement filed; or an amount equal to the sum of three months uncovered health care expenditures as reported on the most recent financial statement filed. | No provision | No provision | No provision |
| VT (10/22) | tit. 8 §§ 3304; 3309; 3366 | The commissioner may require a deposit in an amount and subject to conditions determined by the commissioner. | Yes | Same as for domestic insurers | Yes |
| | tit. 8 § 5102b | HMOs shall deposit \$300,000 in cash, securities, or others; or 50% of the amount in section (b)(4); or such other amount the commissioner may require. Deposits for succeeding year shall be determined by the formula provided. Exceptions listed. | Commissioner may order deposits to be used for the protection of members. | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|------------------------------------|---|-------------------------------|---|-------------------------------|
| VI (10/22) | tit. 22 § 207 | Insurer shall deposit not less than \$500,000 in the form of a U.S. treasury bond, certificate of deposit or a letter of credit. | Yes | Same as for domestic insurers, except in the form of a financial guarantee bond, certificate of deposit, letter of credit or U.S. Treasury Notes. | Yes |
| | tit. 22 § 1152 | Title insurer shall deposit \$100,000 in cash or securities. | No provision | No provision | No provision |
| VA (10/22) | §§ 38.2-1045; 38.2-1046; 38.2-1049 | Insurer shall deposit securities with current market value between \$50,000 and \$500,000. Additional reasonable amounts may be required. No deposit required of mutual assessment property/casualty insurers, fraternal benefit societies, and exclusively ocean marine insurers. Insurer may be relieved from deposit requirement if at least \$500,000 in securities is deposited with state treasurer or official of another state. | Yes | May accept a certificate from another state holding at least \$500,000. | Yes |
| WA (10/22) | § 48.05.080 | No provision | No provision | Insurer shall make deposit of assets the same as required for like domestic insurer. In lieu of making a deposit, commissioner may accept certificate from another state to the effect that like deposit is held there. | Yes |
| | §§ 48.16.010; 48.16.020 | Commissioner shall accept deposit of securities or funds in amount required as prerequisite to certificate of authority. | Yes | Same as for domestic insurers. | Yes |
| | § 48.10.070 | Reciprocal insurer shall deposit surplus funds of \$100,000. | No provision | No provision | No provision |

COMPANY DEPOSIT REQUIREMENTS

| STATE | CITATION | DEPOSIT REQUIREMENTS FOR DOMESTIC INSURERS | FOR BENEFIT OF POLICYHOLDERS? | DEPOSIT REQUIREMENTS FOR FOREIGN INSURERS | FOR BENEFIT OF POLICYHOLDERS? |
|---------------|-----------------|---|--------------------------------------|---|--|
| WV (10/22) | § 33-3-6 | Property/casualty, financial guaranty, and mortgage guaranty insurers shall deposit \$100,000 in cash or securities. | Yes | In lieu of deposit, commissioner may accept certificate from another state that a like deposit is being held there. | Yes |
| WI (10/22) | § 611.15 | All funds received by stock insurers for stock subscriptions or by mutual insurers for applications or for mutual bond or contribution note subscriptions shall be deposited subject to escrow agreement. | No provision | No provision | No provision |
| WY (10/22) | § 26-3-111 | Insurer shall deposit cash or securities of a value not less than stated for the following kinds of insurance: life, \$200,000; disability, \$100,000; life & disability, \$200,000; property, \$100,000; casualty excluding surety, \$100,000; casualty including surety, \$150,000; multiple line, \$200,000; hail-crop, \$100,000 (not required if property insurer, and domestic mutual hail-crop insurer may file and maintain reinsurance of such risk); title, \$50,000. | Yes | Same as for domestic insurers, except \$100,000 for title insurers. In lieu of deposit, commissioner shall accept certificate from another state stating that like deposit is being maintained there. | Yes, and commissioner may also require deposit for sole protection of Wyoming policyholders. |

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.

Retaliation Guide—December 2022

COMPANY DEPOSIT REQUIREMENTS

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

The date following each state indicates the last time information for the state was reviewed/changed.

ALABAMA (11/22) §§ 27-2B-3; 27-3-7; 27-3-8; 27-3-9; 27-21A-12; 27-30-5; 27-31-6; 27-31B-6; 27-31C-4; 27-41-33

| | | STOCK INSURER CAPITAL | FOREIGN MUTUAL OR RECIPROCAL SURPLUS | DOMESTIC RECIPROCAL SURPLUS |
|-----|--|--------------------------------------|---|--|
| 1. | Life | \$800,000 | 150% / 100% | |
| 2. | Disability | 500,000 | 150% / 100% | |
| 3. | Life and Disability | 800,000 | 150% / 100% | |
| 4. | New Domestic Stock Life Insurers | 1,000,000 | \$1,000,000 | |
| 5. | Property | 300,000 | 150% / 100% | \$200,000 |
| 6. | Casualty | 400,000 | 150% / 100% | 300,000 |
| 7. | Marine | 300,000 | 150% / 100% | |
| 8. | Surety | 350,000 | 150% / 100% | |
| 9. | Title | 200,000 | 150% / 100% | |
| 10. | Multiple Lines (any two or more of property, casualty, marine, surety and all kinds other than life and title) | 500,000 | 150% / 100% | |
| 11. | HMO | 100,000 | | |
| 12. | Chattel Mortgages | 1,000,000 | 1,000,000 | |
| 13. | Mutual Aid Associations | 50,000 | 75,000 | |

ALABAMA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

ALABAMA (10/22) §§ 27-2B-3; 27-3-7; 27-3-8; 27-3-9; 27-21A-12; 27-30-5; 27-31-6; 27-31B-6; 27-31C-4; 27-41-33 (cont.)

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL AND SURPLUS |
|-------------------------|---|
| Pure Captive | \$100,000* |
| Agency Captive | 500,000* |
| Association Captive | 500,000* |
| Industrial Captive | 500,000 |
| Reinsurance Captive | 10,000* |
| Protected Cell Captive | 100,000* |
| Reciprocal | 1,000,000 |
| Alabama Coastal Captive | 1,000,000 |

*Or such other amount determined by the commissioner and actuarially supported by a feasibility study.

Alabama has a five-year seasoning requirement; an insurer that has not actively transacted business for more than five years is required to maintain surplus of 150% of capital; otherwise, 100% of capital is to be maintained as surplus. Insurers are also subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

ALASKA (10/22) §§ 21.09.070; 21.09.080; 21.14.010; 21.34.040*; 21.59.180; 21.75.050; 21.75.055**

| | DOMESTIC/FOREIGN/MUTUAL/FOREIGN RECIPROCAL/DOMESTIC RECIPROCAL | BASIC CAPITAL OR BASIC SURPLUS** | ADD'L SURPLUS WHEN FIRST AUTHORIZED | ADDITIONAL MAINTAINED SURPLUS |
|-----|---|---|--|--------------------------------------|
| 1. | Life+ | \$1,000,000 | \$1,000,000 | \$750,000 |
| 2. | Health | 1,000,000 | 1,000,000 | 750,000 |
| 3. | Life and Health | 1,250,000 | 1,250,000 | 1,000,000 |
| 4. | Property | 1,000,000 | 1,000,000 | 750,000 |
| 5. | Casualty, excluding vehicle | 1,000,000 | 1,000,000 | 750,000 |
| 6. | Marine and Transportation | 1,000,000 | 1,000,000 | 750,000 |
| 7. | Surety | 1,000,000 | 1,000,000 | 750,000 |
| 8. | Title | 500,000 | 500,000 | 250,000 |
| 9. | Vehicle | 1,000,000 | 1,000,000 | 750,000 |
| 10. | Any three or more of numbers 2, 4-7, and 9 | 3,000,000 | 3,000,000 | 2,250,000 |
| 11. | Legal Expenses | 1,000,000 | 1,000,000 | 750,000 |
| 12. | Mortgage Guarantee | 1,000,000 | 1,000,000 | 750,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements.

**Cooperative insurers must maintain at least half of capital required for domestic reciprocal. Domestic reciprocal must maintain surplus no less than an amount equal to the total of the capital and one-half of the surplus that would be required of a domestic stock insurer writing the same lines for which the reciprocal insurer seeks authorization.

Insurers are also subject to risk-based capital requirements.

+ *may also grant annuities without additional capital or additional surplus.*

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

ARIZONA (11/22) §§ 20-210; 20-211; 20-212; 20-413; 20-488; 20-825.01; 20-1085; 20-1086; 20-1097.10; 20-1098.03; 20-1542*

| | DOMESTIC/MUTUAL/RECIPROCAL** | CAPITAL | SURPLUS |
|-----|--|----------------|----------------|
| 1. | Life*** | \$300,000 | \$150,000 |
| 2. | Disability | 300,000 | 150,000 |
| 3. | Life and Disability*** | 400,000 | 200,000 |
| 4. | Property | 600,000 | 300,000 |
| 5. | Casualty | 600,000 | 300,000 |
| 6. | Marine and Transportation | 600,000 | 300,000 |
| 7. | Surety | 1,000,000 | 500,000 |
| 8. | Title***+ | 500,000 | 250,000 |
| 9. | Vehicle | 600,000 | 300,000 |
| 10. | Multiple Lines | 1,000,000 | 500,000 |
| 11. | Life and Disability Reinsurer | 100,000 | 50,000 |
| 12. | Credit Life and Disability Reinsurer | 75,000 | |
| 13. | Prepaid Legal Insurance | 600,000 | 300,000 |
| 14. | Mortgage Guarantee Insurance (stock) | 1,000,000 | 1,000,000 |
| 15. | Mortgage Guarantee Insurance (mutual) | | 2,000,000 |
| 16. | Hospital, Medical, Dental, and Optometric Service Corporations | 25,000 | 25,000 |

ARIZONA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

ARIZONA (11/22) §§ 20-210; 20-211; 20-212; 20-413; 20-488; 20-825.01; 20-1085; 20-1086; 20-1097.10; 20-1098.03; 20-1542* (cont.)

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL AND SURPLUS |
|----------------------------------|---|
| Pure Captive | \$250,000 |
| Pure Captive (Reinsurance Only) | 125,000 |
| Group Captive | 500,000 |
| Group Captive (Reinsurance Only) | 250,000 |
| Agency Captive | 500,000 |
| Protected Cell Captive | 500,000 |
| Reciprocal | 500,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines provisions.

**See state provisions for requirements of foreign and alien insurers.

*** *Not applicable to reciprocal insurers.*

+ *Not applicable to mutual or reciprocal insurers.*

Director may require additional capital based on type, volume and nature of business conducted. Insurers are also subject to risk-based capital requirements.

Except for life and disability combination and title, any insurer may be authorized to transact lawful combination with additional capital of \$200,000 per kind over the largest amount required.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

ARKANSAS (10/22) §§ 23-63-205; 23-63-207; 23-63-1301 to 23-63-1316; 23-63-1604; 23-63-1605*; 23-70-105**

| | | CAPITAL OR SURPLUS | DOMESTICS MUST MAINTAIN MINIMUM SURPLUS |
|-----|-------------------------------------|---------------------------|--|
| 1. | Life | \$750,000 | 15% of capital or surplus |
| 2. | Accident and Health | 750,000 | 15% of capital or surplus |
| 3. | Life and Accident and Health | 750,000 | 15% of capital or surplus |
| 4. | Property | 500,000 | 15% of capital or surplus |
| 5. | Casualty | 750,000 | 15% of capital or surplus |
| 6. | Surety | 750,000 | 15% of capital or surplus |
| 7. | Marine | 500,000 | 15% of capital or surplus |
| 8. | Title | 250,000 | 15% of capital or surplus |
| 9. | Mortgage Guaranty | 750,000 | 15% of capital or surplus |
| 10. | Property, Casualty, Surety & Marine | 750,000 | 15% of capital or surplus |
| 11. | Combination of Other Lines | 750,000 | 15% of capital or surplus |

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL | UNIMPAIRED SURPLUS |
|------------------------------------|-----------------------------------|---------------------------|
| Producer Reinsurance Captive | \$300,000 | 300,000 |
| Pure Captive | 100,000 | 150,000 |
| Association Captive (stock/mutual) | 400,000 | 350,000/750,000 |
| Industrial Captive (stock/mutual) | 200,000 | 300,000/500,000 |
| Sponsored Captive | 250,000 | 250,000 |
| Special Purpose Captive | 300,000 | 300,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions.

For combinations other than those listed, the insurer shall maintain the combined total unless the commissioner believes \$750,000 is adequate. If the law does not specify appropriate capital and surplus for any kind of insurance, the commissioner may set a minimum, not less than \$500,000.

**To transact property or casualty insurance, a domestic reciprocal insurer must maintain surplus funds of not less than the amount required of a foreign reciprocal insurer under § 23-63-205. The commissioner may impose additional surplus requirements for foreign reciprocal insurers based on the financial condition of the insurer or based on the types, volume, or nature of the business transacted by the insurer.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

CALIFORNIA (10/22) Ins. §§ 700.01 to 700.05; 739.2; 10510; 12107; 12125; 12359; 12640.03*

| | | CAPITAL | SURPLUS |
|-----|--|----------------------------|-----------------------------------|
| 1. | Life | \$2,250,000 | 100% of capital |
| 2. | Life and Disability | 2,500,000 | 100% of capital |
| 3. | Title | 500,000 | 100% of capital |
| 4. | Fire | 350,000 | 100% of capital |
| 5. | Marine | 350,000 | 100% of capital |
| 6. | Surety | 350,000 | 100% of capital |
| 7. | Disability | 250,000 | 100% of capital |
| 8. | Plate Glass | 100,000 | 100% of capital |
| 9. | Liability | for any or all of these | 100% of capital |
| 10. | Workers' Compensation | | |
| 11. | Common Carrier Liability | | |
| 12. | Boiler and Machinery | 300,000 | |
| 13. | Burglary | 100,000 | 100% of capital |
| 14. | Credit | 100,000 | 100% of capital |
| 15. | Sprinkler | 100,000 | 100% of capital |
| 16. | Team and Vehicle | 100,000 | 100% of capital |
| 17. | Automobile | 200,000 | 100% of capital plus \$200,000 |
| 18. | Aircraft | 100,000 | 100% of capital |
| 19. | Miscellaneous | 100,000 | 100% of capital |
| 20. | Mortgage Guaranty | 1,000,000 | 1,000,000 |
| 21. | Legal Insurance | 1,000,000 | 500,000 |
| 22. | Financial Guaranty (initial/maintenance) | 15,000,000/15,000,000 | 85,000,000/60,000,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions.

Insurers transacting multiple lines shall have \$2,600,000 or the aggregate as set forth above, whichever is lower.

Incorporated insurers not transacting lifelines, fire, marine or surety shall have excess capital of \$300,000 over the aggregate amount set forth above.

For admission, no incorporated insurer shall have less than \$1,000,000 nor required to have more than \$2,600,000 capital. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

COLORADO (10/22) §§ 10-3-201; 10-5-108; 10-6-116; 10-12-110; 3 Colo. Regs. § 702-3:3-1-11*

| | STOCK AND MUTUAL | TOTAL CAPITAL OR GUARANTY FUND SURPLUS |
|----|-------------------------|---|
| 1. | Life | \$1,500,000 |
| 2. | Fire | 1,500,000 |
| 3. | Casualty | 1,500,000 |
| 4. | Multiple Line | 2,000,000 |
| 5. | Title Insurance | 750,000 |
| 6. | All captives | 500,000 |

*See state provisions for surplus lines requirements.
 Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

CONNECTICUT (11/22) § 38a-72; 38a-91dd; Conn. Agencies Regs. §§ 38a-72-1 to 38a-72-13

| | | CAPITAL | SURPLUS | MUTUAL SURPLUS |
|-----|-------------------------|----------------|----------------|-----------------------|
| 1. | Life | \$1,000,000 | \$2,000,000 | \$3,000,000 |
| 2. | Mortgage Guaranty | 2,000,000 | 2,000,000 | 4,000,000 |
| 3. | Health | 500,000 | 500,000 | 1,000,000 |
| 4. | Marine | 500,000 | 250,000 | 750,000 |
| 5. | Fidelity and Surety | 500,000 | 500,000 | 1,000,000 |
| 6. | Title | 500,000 | 500,000 | 1,000,000 |
| 7. | Workers' Compensation | 500,000 | 500,000 | 1,000,000 |
| 8. | Liability | 500,000 | 500,000 | 1,000,000 |
| 9. | Property | 500,000 | 250,000 | 750,000 |
| 10. | Financial Guaranty | 15,000,000 | 60,000,000 | 75,000,000 |
| 11. | Life & Health | 1,000,000 | 2,000,000 | 3,000,000 |
| 12. | Residual Value | 2,000,000 | 1,000,000 | 3,000,000 |
| 13. | Reinsurance (P&C) | 2,000,000 | 2,000,000 | 4,000,000 |
| 14. | Reinsurance (Life) | 1,000,000 | 2,000,000 | 3,000,000 |
| 15. | All Lines-Max. Required | 2,000,000 | 2,000,000 | 4,000,000 |

CONNECTICUT (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

CONNECTICUT (11/22) § 38a-72; 38a-91dd; Conn. Agencies Regs. §§ 38a-72-1 to 38a-72-13 (cont.)

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL AND SURPLUS |
|---|---|
| Pure Captive | Greater of \$50,000 or an amount that the commissioner determines is necessary to meet policy obligations |
| Association Captive | Greater of 250,000 or an amount that the commissioner determines is necessary to meet policy obligations |
| Industrial Insured | Greater of 75,000 or an amount that the commissioner determines is necessary to meet policy obligations |
| Risk Retention | 1,000,000 |
| Sponsored Captive | Greater of 75,000 or an amount that the commissioner determines is necessary to meet policy obligations |
| Special Purpose | Greater of 250,000 or an amount that the commissioner determines is necessary to meet policy obligations |
| Sponsored (licensed as special purpose) | Greater of 250,000 or an amount that the commissioner determines is necessary to meet policy obligations |
| Agency Captive | Greater of 250,000 or an amount that the commissioner determines is necessary to meet policy obligations |
| Branch Captive | Greater of 50,000 or an amount that the commissioner determines is necessary to meet policy obligations |

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

DELAWARE (10/22) 18 Del.C. § 511; 1931; 5802; 6905*

| | | CAPITAL (stock/reciprocal) | SURPLUS (stock/mutual/reciprocal) |
|----|-------------------------|-----------------------------------|--|
| 1. | Life** | \$300,000 | \$150,000 |
| 2. | Health | 300,000 | 150,000 |
| 3. | Life and Health** | 350,000 | 200,000 |
| 4. | Property | 300,000 | 150,000 |
| 5. | Casualty | 400,000 | 200,000 |
| 6. | Marine & Transportation | 350,000 | 175,000 |
| 7. | Surety | 300,000 | 150,000 |
| 8. | Title**+ | 250,000 | 125,000 |
| 9. | Multiple Lines | 500,000 | 250,000 |

| CAPTIVES | CAPITAL AND SURPLUS |
|-----------------------------------|----------------------------|
| Pure Captive | \$250,000 |
| Association Captive | 750,000 |
| Industrial Insured | 500,000 |
| Agency Captive | 250,000 |
| Risk Retention Captive | 1,000,000 |
| Sponsored Captive | 500,000 |
| Special Purpose Captive | 250,000 |
| Branch Captive | 250,000 |
| Special Purpose Financial Captive | 500,000 |
| Series Captive | Specified by Commissioner |

*See state provisions for specific capital and surplus lines requirements relating to grandfather provisions and surplus requirements.

** *Not applicable to mutual insurers*

+ *Not applicable to reciprocal insurers*

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

DISTRICT OF COLUMBIA (10/22) §§ 31-2002; 31-3506; 31-4408; 31-5031.05; 31-2502.13; 31-3931.06; 31-3932.05; 31-3412

| | | CAPITAL | SURPLUS |
|---|----------------------------------|---|--|
| LIFE COMPANIES | Capital Stock Company | \$1,000,000 | 50% of capital stock |
| | Mutual Company | N/A | \$1,500,000 |
| FIRE, CASUALTY, and MARINE COMPANIES | Capital Stock Company | 300,000 | 300,000 |
| | Domestic Mutual Company | N/A | 300,000 |
| | Foreign and Alien Mutual Company | N/A | 400,000 |
| TITLE | | 500,000 | 500,000 |
| HOSPITAL AND MEDICAL SERVICES CORPORATIONS | | | 5,000,000 or 8% of premiums (greater of) |
| HEALTH MAINTENANCE ORGANIZATIONS | | Must have an initial net worth of \$1,500,000 | |

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL | UNIMPAIRED SURPLUS |
|------------------------------------|-----------------------------------|----------------------------|
| Agency Captive | \$100,000 | 300,000 |
| Pure Captive | 100,000 | 150,000 |
| Association Captive (stock/mutual) | 100,000 | 300,000/500,000 |
| Rental Captive | 100,000 | 300,000 |
| Protected Cell Captive (mutual) | Determined by Commissioner | Determined by Commissioner |
| Special Purpose Financial Captive | 100,000 | 150,000 |

Insurers are also subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

FLORIDA (11/22) §§ 624.407; 624.408; 624.4085; 626.918; 628.161; 628.907; 628.908; 629.071; 629.261; 635.042*

| NEW STOCK COMPANIES | INITIAL SURPLUS |
|---|--|
| P/C insurer | \$5,000,000 |
| Limited sinkhole coverage for personal lines | 7,500,000 |
| Renter, tenant, cooperative unit owner, or any combination thereof | 10,000,000 |
| All insurers other than life/life and health | 10% of total liabilities |
| Life | 4% of total liabilities |
| Life and health | 4% of total insured liabilities for life plus 6% related to health |
| Residential property | |
| Residential property (not a wholly owned subsidiary domiciled in another state/wholly owned) | 15,000,000/50,000,000 |
| Any other insurer not listed above | 2,500,000 |
| EXISTING STOCK COMPANIES | MAINTENANCE LEVEL SURPLUS |
| Life | 4% of total liabilities |
| Life and health | 4% of total insured liabilities for life plus 6% related to health |
| All insurers other than mortgage guaranty, life, life and health | 10% of total liabilities |
| P/C (except residential property) | \$4,000,000 |
| Residential property on or after July 1, 2016, and until June 30, 2021/on or after July 1, 2021 | \$10,000,000/15,000,000 |
| Limited sinkhole coverage for personal lines | 7,500,000 |
| Renter, tenant, cooperative unit owner, or any combination thereof | 10,000,000 |
| Mortgage guaranty | Greater of 4,000,000 or 10% of insurer total outstanding liabilities other than required contingency reserve |
| MUTUALS | INITIAL/MAINTENANCE SURPLUS |
| 1. Health | \$300,000/200,000 |
| 2. Property | 200,000/150,000 |
| 3. Casualty | 300,000/200,000 |
| 4. Any Combination 1, 2, 3 | 400,000/250,000 |
| 5. Life | 2,500,000/1,500,000 |

FLORIDA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

FLORIDA (11/22) §§ 624.407; 624.408; 624.4085; 626.918; 628.161; 628.907; 628.908; 629.071; 629.261; 635.042* (cont.)

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL | UNIMPAIRED SURPLUS |
|--------------------------------------|-----------------------------------|---------------------------|
| Pure Captive | \$100,000 | 150,000 |
| Industrial Captive (stock) | 200,000 | 300,000 |
| Industrial (mutual) | | 500,000 |
| Special Purpose Captive | Determined by the office | Determined by the office |
| Pure Captive (non-profit) | 250,000 | |
| Special Purpose Captive (non-profit) | Determined by the office | |

| RECIPROCAL INSURERS | INITIAL SURPLUS | MAINTENANCE LEVEL SURPLUS |
|-----------------------------|------------------------|----------------------------------|
| Domestic Reciprocal Insurer | \$750,000 | 250,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements. Insurers are also subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

GEORGIA (11/22) §§ 33-3-6; 33-3-7; 33-5-25; 33-16-13; 33-17-16; 33-35-6; 33-41-8; 33-50-5; 33-56-3; *

| | INITIAL CAPITAL OR MINIMUM SURPLUS | MAINTAIN CAPITAL OR SURPLUS |
|--|---|--|
| All insurers | \$1,500,000 | \$1,500,000 |
| Multiple Employer Health Plan (self-insured) | 200,000 | 200,000 |
| Farmers' Mutual Fire Insurance | 150,000 | 150,000 |
| Prepaid Legal Service | 5,000 | 25% of anticipated income over a two-year period |

| CAPTIVES | CAPITAL OR SURPLUS |
|------------------------|---------------------------|
| Pure Captive | \$250,000 |
| Association Captive | 500,000 |
| Agency Captive | 250,000 |
| Industrial Captive | 500,000 |
| Risk Retention Captive | 500,000 |
| Sponsored Captive | 250,000 |

In Georgia, “all insurers” should have a combined minimum capital and surplus amount of \$3,000,000. *See* O.C.G.A. § 33-3-6 and 33-3-7.

*See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements. Insurers are also subject to risk-based capital requirements.

A domestic reciprocal insurer may be authorized to transact property or casualty insurance if it has and thereafter maintains surplus funds of not less than \$1.5 million.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

HAWAII (10/22) §§ 431:3-205; 431:3-206; 431:3-402; 431:3-208; 431:19-101; 431:19-104*

| | | CAPITAL (STOCK) OR UNIMPAIRED SURPLUS (MUTUAL) | SURPLUS ADDITIONAL AMOUNT REQUIRED OF ALL INSURERS THAT HAVE BEEN INSURERS LESS THAN FIVE YEARS |
|----|--|---|--|
| 1. | Life | \$600,000 | 50% capital/surplus |
| 2. | Accident and Health or Sickness | 450,000 | 50% capital/surplus |
| 3. | Property | 750,000 | 50% capital/surplus |
| 4. | Marine and Transportation | 1,000,000 | 50% capital/surplus |
| 5. | Vehicle | 1,000,000 | 50% capital/surplus |
| 6. | General Casualty | 1,500,000 | 50% capital/surplus |
| 7. | Surety | 1,000,000 | 50% capital/surplus |
| 8. | Title | 400,000 | 50% capital/surplus |
| 9. | Combination of Classes: Amount equal to the sum required of each individual class of insurance, total not to exceed \$2.5 million. | | |

| CAPTIVES | CAPITAL OR SURPLUS |
|---|----------------------------------|
| Class 1: Pure Captive (reinsurer) | \$100,000 |
| Class 2: Pure Captive (direct insurer) | 250,000 |
| Class 3: Association/Risk Retention Captive | 500,000 |
| Class 4: Sponsored Captive | 500,000 |
| Class 5: Reinsurer/Excess Insurance Captive | To be determined by Commissioner |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

IDAHO (10/22) §§ 41-313; 41-315; 41-2652; 41-3613; 41-5402*

| | | PAID-UP CAPITAL STOCK OR BASIC SURPLUS (STOCK) | ADDITIONAL SURPLUS (MUTUAL) |
|-----|---|---|------------------------------------|
| 1. | Life | \$1,000,000 | \$1,000,000 |
| 2. | Disability | 1,000,000 | 1,000,000 |
| 3. | Life and Disability | 1,000,000 | 1,000,000 |
| 4. | Property | 1,000,000 | 1,000,000 |
| 5. | General Casualty | 1,000,000 | 1,000,000 |
| 6. | Marine and Transportation | 1,000,000 | 1,000,000 |
| 7. | Vehicle | 1,000,000 | 1,000,000 |
| 8. | Surety | 1,000,000 | 1,000,000 |
| 9. | Any two of the following kinds of insurance: property, marine and transportation, general casualty, vehicle, surety, disability | 1,000,000 | 1,000,000 |
| 10. | Title | 500,000 | 500,000 |
| 11. | Multiple Lines (all insurance except life and title insurance) | 1,000,000 | 1,000,000 |
| 12. | Mortgage Guaranty Insurance | 1,500,000 | 1,500,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions.

Insurers are also subject to risk-based capital requirements.

No additional capital and surplus requirements for life insurers granting annuities, disability insurers issuing insurance against congenital defects, or casualty insurers that also transact disability insurance.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

ILLINOIS (11/22) 215 ILCS 5/4; 215 ILCS 5/13; 215 ILCS 5/35A-1; 215 ILCS 5/43; 215 ILCS 5/123C-3; 215 ILCS 155/4.1*

| CLASS 1: LIFE, ACCIDENT AND HEALTH | CLASS 2: CASUALTY, FIDELITY AND SURETY | CLASS 3: FIRE, MARINE, AND LEGAL EXPENSE |
|---|---|---|
| a. Life | a. Accident and Health | a. Fire |
| b. Accident and Health | b. Vehicle | b. Elements |
| c. Legal Expense | c. Liability | c. War, Riot and Explosion |
| | d. Workers' Compensation | d. Marine and Transportation |
| | e. Burglary and Forgery | e. Vehicle |
| | f. Glass | f. Property Damage, Sprinkler Leakage and Crop |
| | g. Fidelity and Surety | g. Other Fire and Marine Risks |
| | h. Miscellaneous | h. Contingent Losses |
| | i. Other Casualty Risks | i. Legal Expense Insurance |
| | j. Contingent Losses | |
| | k. Livestock and Domestic Animals | |
| | l. Legal Expense | |

| | STOCK INSURERS | PAID-UP CAPITAL | INITIAL SURPLUS | SURPLUS TO BE MAINTAINED** |
|----|---|------------------------|------------------------|-----------------------------------|
| 1. | Class 1a, b or c (or more than one clause) | \$1,000,000 | \$1,000,000 | \$500,000 |
| 2. | Class 2a, b, c, d, g, h, i, or j (or more than one clause) | 1,000,000 | 1,000,000 | 500,000 |
| 3. | Class 2e, f, k, l or Class 3 (any, all of or combination of) | 400,000 | 600,000 | 300,000 |
| 4. | (Multiple Line) Class 2 - any or all clauses except e, f, k, l and Class 3 - any or all clauses | 1,000,000 | 1,000,000 | 500,000 |
| 5. | Class 2 - f only or k only*** | 100,000 | 150,000 | 50,000 |

ILLINOIS (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

ILLINOIS (11/22) 215 ILCS 5/4; 215 ILCS 5/13; 215 ILCS 5/35A-1; 215 ILCS 5/43; 215 ILCS 5/123C-3; 215 ILCS 155/4.1* (cont.)

| | MUTUAL INSURERS | INITIAL SURPLUS | SURPLUS TO BE MAINTAINED* |
|----|--|------------------------|----------------------------------|
| 1. | Class 1a, b or c (or more than one clause) | \$2,000,000 | \$1,500,000 |
| 2. | Class 2a, b, c, d, g, h, i, or j (or more than one clause) | 2,000,000 | 1,500,000 |
| 3. | Class 2e, f, k, l or Class 3 (any, all, of or combination of) | 1,000,000 | 700,000 |
| 4. | (Multiple line) Class 2 - any and all clauses except e, f, k, l and Class 3 - any or all clauses | 2,000,000 | 1,500,000 |
| 5. | Class 2 - f only or k only*** | 250,000 | 150,000 |

| DOMESTIC CAPTIVE INSURERS | CAPITAL AND SURPLUS |
|----------------------------------|----------------------------|
| Pure Captive | \$250,000 |
| Industrial Insured Captive | 500,000 |
| Association Captive | 750,000 |

| OTHER | CAPITAL AND SURPLUS |
|-----------------|----------------------------|
| Title Insurance | \$2,000,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions.

**In addition to minimum original capital

***Provided company shall not expose itself to any loss on any one risk in an amount exceeding \$5,000.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

INDIANA (11/22) §§ 27-1-5-1; 27-1-6-14; 27-1-6-15; 27-1-36-1*

| CLASS 1: | CLASS 2: | | CLASS 3: |
|--|--|-------------------------|---------------------------------------|
| a. Life (accidental death, permanent disability) | a. Accident, Health and Disability | h. Liability | a. Fire, Wind, Hail, Flood, Riot |
| b. Accident and Health | b. Employers Liability, Workers' Comp. | i. Extensions of Credit | b. Crop |
| c. Variable Life and Annuities | c. Burglary, Theft, Housebreaking | j. Title | c. Water and Fire Extinguisher Damage |
| | d. Glass | k. Fidelity and Surety | d. Marine Risks |
| | e. Boiler and Machinery | l. Other Casualty | |
| | f. Motor Vehicle Liability | m. Legal Expense | |
| | g. Water Damage | | |

| STOCK INSURERS: | PAID-IN CAPITAL*** | SURPLUS** |
|------------------------|---------------------------|-------------------|
| All Insurers | \$1,000,000 | 1,000,000/250,000 |

| MUTUAL INSURERS: | MINIMUM SURPLUS | SURPLUS TO BE MAINTAINED |
|-------------------------|------------------------|---------------------------------|
| All Insurers | \$2,000,000 | 1,250,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions.

**First amount is initial requirement/second amount is that to be constantly maintained. The commissioner may require additional capital and surplus based on type, volume and nature of business transacted. Insurers also are subject to risk-based capital requirements.

***The following insurers are exempt from the state's risk-based capital requirements: (1) domestic property and casualty insurers that only write direct business in Indiana, receive annual premiums from direct business written of not more than \$2 million, and assume no reinsurance in excess of 5% of direct business written; and (2) health maintenance organizations (including limited service health maintenance organizations) that operate only in Indiana and receive annual subscriber premiums of not more than \$2 million.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

IOWA (11/22) §§ 508.5; 508.9; 515.8; 515.12; 521E.1

| STOCK INSURERS: | | CAPITAL AND SURPLUS |
|------------------------|-----------------|----------------------------|
| 1. | Life | \$5,000,000 |
| 2. | Other Than Life | 5,000,000 |

| MUTUAL INSURERS: | | SURPLUS |
|-------------------------|-----------------|----------------|
| 1. | Life | \$5,000,000 |
| 2. | Other Than Life | 5,000,000 |

Commissioner has discretion to require greater amount when risk-based circumstances require it.
 Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

KANSAS (11/22) §§ 40-401; 40-402; 40-901; 40-1102; 40-1103; 40-1104; 40-3503; 40-1519; 40-1027; 40-1001; 40-1001a; 40-2c01; 40-4304*

| | STOCK INSURERS: | PAID IN CAPITAL | SURPLUS |
|----|--|------------------------|----------------|
| 1. | Life | \$600,000 | \$600,000 |
| 2. | Fire | 450,000 | 300,000 |
| 3. | Casualty, Surety, and Fidelity | 450,000 | 300,000 |
| 4. | Accident, Sickness, Workman's Comp, Property, Liability, Surety, Title, Mortgage, Credit | 450,000 | 300,000 |
| 5. | Other hazard including Marine | 900,000 | 600,000 |
| 6. | Stock Mortgage Guaranty | 1,000,000 | 1,000,000 |

| | MUTUAL INSURERS: | PAID IN CAPITAL | MINIMUM IN SURPLUS |
|----|--|------------------------|---------------------------|
| 1. | Life | | \$1,200,000 |
| 2. | Fire and Tornado | | 450,000 |
| 3. | Other injury liability | | 1,000,000 |
| 4. | Hail | | 100,000 |
| 5. | Casualty, Surety, and Fidelity | | 750,000 |
| 6. | Accident, Sickness, Workman's Comp, Property, Liability, Surety, Title, Mortgage, Credit | | 750,000 |
| 7. | Other hazard including Marine | | 1,500,000 |
| 8. | Mutual Mortgage Guaranty | | 2,000,000 |

| | CAPTIVE INSURERS: | PAID IN CAPITAL | SURPLUS |
|----|--------------------------|------------------------|----------------|
| 1. | Pure Captive | \$250,000 | \$250,000 |
| 2. | Association Captive | 500,000 | 500,000 |

*See state provisions for specific capital and surplus requirements relating to grandfather provisions. Insurers also are subject to risk-based capital requirements. Foreign mutual insurers have same requirements as domestic companies.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

KENTUCKY (11/22) § 304.3-120; Ky. Admin. Regs. § 3:190*

| | | CAPITAL | INITIAL FREE SURPLUS |
|----|--|----------------|-----------------------------|
| 1. | Stock Insurer | \$1,000,000 | \$2,000,000 |
| 2. | Pure Captive Insurer | 250,000 | |
| 3. | Consortium, Sponsored, Agency, or Industrial Insured Captive Insurer | 500,000 | 500,000 |
| 4. | Special Purpose Captive Insurer | 250,000 | 250,000 |
| 5. | Reciprocal Insurer | 500,000 | 500,000 |

| | | MINIMUM BASIC SURPLUS | INITIAL FREE SURPLUS |
|--|--|------------------------------|-----------------------------|
| | Foreign Mutual, Reciprocal, and Lloyd’s Insurers | \$1,000,000 | \$2,000,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

LOUISIANA (11/22) §§ 22:81 to 22:83; 22:112; 22:113; 22:165; 22:432; 21:435; 22:550.10; 22:612*

| | STOCK | PAID-IN CAPITAL | MINIMUM SURPLUS | OPERATING SURPLUS |
|-----|------------------------------------|------------------------|------------------------|--------------------------|
| 1. | Life | \$100,000 | \$1,900,000 | \$1,000,000 |
| 2. | Health and Accident | 100,000 | 1,900,000 | 1,000,000 |
| 3. | Life, Accident and Health | 100,000 | 1,900,000 | 1,000,000 |
| 4. | Title | 100,000 | 400,000 | 500,000 |
| 5. | Industrial Fire | 200,000 | 800,000 | 1,000,000 |
| 6. | Vehicle | 650,000 | 1,350,000 | 1,000,000 |
| 7. | Liability | 650,000 | 1,350,000 | 1,000,000 |
| 8. | Workers' Compensation | 650,000 | 1,350,000 | 1,000,000 |
| 9. | Burglary and Forgery | 650,000 | 1,350,000 | 1,000,000 |
| 10. | Fidelity or Surety | 650,000 | 1,350,000 | 1,000,000 |
| 11. | Fire and Allied Lines | 650,000 | 1,350,000 | 1,000,000 |
| 12. | Steam Boiler and Sprinkler Leakage | 650,000 | 1,350,000 | 1,000,000 |
| 13. | Crop | 650,000 | 1,350,000 | 1,000,000 |
| 14. | Marine and Transportation | 650,000 | 1,350,000 | 1,000,000 |
| 15. | Miscellaneous | 650,000 | 1,350,000 | 1,000,000 |
| 16. | Homeowners' | 650,000 | 1,350,000 | 1,000,000 |
| 17. | Annuity | 100,000 | 1,900,000 | 1,000,000 |
| 18. | All Lines, except Life and Title | 650,000 | 1,350,000 | 1,000,000 |

LOUISIANA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

LOUISIANA (11/22) §§ 22:81 to 22:83; 22:112; 22:113; 22:165; 22:432; 21:435; 22:550.10; 22:612* (cont.)

| | MUTUALS | INITIAL MINIMUM SURPLUS | OPERATING SURPLUS |
|-----|---|--------------------------------|--------------------------|
| 1. | Life | \$2,000,000 | \$1,000,000 |
| 2. | Health and Accident | 2,000,000 | 1,000,000 |
| 3. | Life, Accident and Health | 2,000,000 | 1,900,000 |
| 4. | Vehicle | 2,000,000 | 1,000,000 |
| 5. | Liability | 2,000,000 | 1,000,000 |
| 6. | Worker’s Compensation | 2,000,000 | 1,000,000 |
| 7. | Burglary and forgery | 2,000,000 | 1,000,000 |
| 8. | Fidelity | 2,000,000 | 1,000,000 |
| 9. | Title | 500,000 | 500,000 |
| 10. | Fire and Allied Lines | 2,000,000 | 1,000,000 |
| 11. | Steam Boiler and Sprinkler Leakage | 2,000,000 | 1,000,000 |
| 12. | Crop | 2,000,000 | 1,000,000 |
| 13. | Marine and Transportation (except hull) | 2,000,000 | 1,000,000 |
| 14. | Miscellaneous | 2,000,000 | 1,000,000 |
| 15. | Homeowners’ | 2,000,000 | 1,000,000 |
| 16. | Credit life, health, and accident | 2,000,000 | 1,000,000 |
| 17. | Credit property and casualty | 2,000,000 | 1,000,000 |
| 18. | Annuity | 2,000,000 | 1,000,000 |
| 19. | Surety | 2,000,000 | 1,000,000 |
| 20. | Industrial Fire | 1,000,000 | 1,000,000 |
| 21. | All insurances, except life and title | 2,000,000 | 1,000,000 |

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL AND SURPLUS |
|---------------------|---|
| Pure Captive | \$500,000 |
| Association Captive | 1,000,000 |

LOUISIANA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

LOUISIANA (11/22) §§ 22:81 to 22:83; 22:112; 22:113; 22:165; 22:432; 21:435; 22:550.10; 22:612* (cont.)

| | RECIPROCAL INSURERS | INITIAL MINIMUM SURPLUS | OPERATING SURPLUS |
|-----|---|--------------------------------|--------------------------|
| 1. | Health and Accident | \$300,000 | |
| 2. | Vehicle | 1,000,000 | |
| 3. | Liability | 1,000,000 | |
| 4. | Workers' Compensation | 150,000/1,000,000 | |
| 5. | Burglary and Forgery | 1,000,000 | |
| 6. | Fidelity | 1,000,000 | |
| 7. | Title | 75,000 | |
| 8. | Fire and Allied Lines | 1,000,000 | |
| 9. | Steam Boiler and Sprinkler Damage | 1,000,000 | |
| 10. | Crop | 250,000/1,000,000 | |
| 11. | Marine and Transportation | 1,000,000 | |
| 12. | Miscellaneous | 1,000,000 | |
| 13. | Homeowners' Insurance | 1,000,000 | |
| 14. | Credit Health and Accident | 300,000 | |
| 15. | Credit Property and Casualty | 1,000,000 | |
| 16. | Surety | 1,000,000 | |
| 17. | Industrial Fire | 300,000 | |
| 18. | All Other Insurances, Except Life and Title | 1,000,000 | |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MAINE (11/22) 24-A §§ 410; 411; 2007; 4204-A; 6452; 6704*

| | ANY INDIVIDUAL LINES OR COMBINATIONS OR KINDS | PAID-IN CAPITAL (STOCK) OR BASIC SURPLUS (FOREIGN MUTUAL/RECIPROCAL) | INITIAL SURPLUS |
|-----|--|---|------------------------|
| 1. | Life+ | \$1,500,000 | \$1,500,000 |
| 2. | Health | 1,000,000 | 1,000,000 |
| 3. | Life and Health | 2,500,000 | 2,500,000 |
| 4. | Casualty+ | 1,500,000 | 1,500,000 |
| 5. | Marine and Transportation | 1,500,000 | 1,500,000 |
| 6. | Property | 1,000,000 | 1,000,000 |
| 7. | Surety | 1,500,000 | 1,500,000 |
| 8. | Title | 500,000 | 500,000 |
| 9. | Multiple Line+ | 2,500,000 | 2,500,000 |
| 10. | All Lines (life and one or more lines except health) | 5,000,000 | 5,000,000 |
| 11. | Legal Services (in addition to above) | 500,000 | |
| 12. | Financial Guaranty (monoline) | 2,500,000 | 47,500,000 |
| 13. | HMO | | 1,500,000 |

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL AND SURPLUS |
|---|---|
| Pure Captive | \$250,000 |
| Association Captive (except those insuring only health risks) | 750,000 |
| Industrial Captive | 500,000 |
| Sponsored Captive | 500,000 |
| Risk Retention Captive | 1,000,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements.

+Without additional paid-in capital an insurer is also authorized to issue: grant annuities (if life), insure against congenital defects (if health insurer), health insurance (if casualty insurer or multiple line), employee benefit excess insurance.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MARYLAND (11/22) Ins. §§ 3-318; 4-103 to 4-105; 4-303; 14-117; 3-203*

| | STOCK AND MUTUAL | CAPITAL | SURPLUS |
|-----|-----------------------------------|----------------|----------------|
| 1. | Life, including annuities | \$1,500,000 | # |
| 2. | Health | 750,000 | # |
| 3. | Property and Marine, excluding #5 | 750,000 | # |
| 4. | Title | 750,000 | # |
| 5. | Wet Marine and Transportation | 750,000 | # |
| 6. | Casualty, excluding #7 and #8 | 750,000 | # |
| 7. | Vehicle Liability | 750,000 | # |
| 8. | Workers' Compensation | 750,000 | # |
| 9. | Surety | 750,000 | # |
| 10. | 2 or more of these listed lines | 1,500,000 | # |

| | RECIPROCAL | CAPITAL | SURPLUS |
|----|------------------------|----------------|----------------|
| 1. | Assessable Policies | | |
| | One Line | | \$375,000 |
| | Two or More Lines | | 750,000 |
| 2. | Nonassessable Policies | | |
| | One Line | | 750,000 |
| | Two or More Lines | | 1,500,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements.

Minimum Surplus Required: minimum surplus of 150% of minimum capital stock.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES**MASSACHUSETTS (11/22) Ch. 175 §§ 47 to 48; 51; 54; 54B; 54C; 54E; 54F; 54G; Reg. 211CMR 20**

| Clause | | CAPITAL | SURPLUS | TOTAL |
|---------------|--|----------------|----------------|--------------|
| 1. | Fire | \$200,000 | \$800,000 | \$1,000,000 |
| 2. | Ocean Marine, Motor Vehicle, Aircraft, Inland Navigation and Transportation (includes property damage) | 300,000 | 1,200,000 | 1,500,000 |
| 4B | Fidelity and Surety | 200,000 | 400,000 | 600,000 |
| 5B | Boiler, Fly Wheel Machinery, Explosion | 200,000 | 400,000 | 600,000 |
| 6B | Accident and Health, Liability and Property Damage, including Automobile Workers' Compensation | 400,000 | 2,400,000 | 2,800,000 |
| | Accident and Health Only | 100,000 | 600,000 | 700,000 |
| | 6 + bldgs. and bldgs. services equipment | | | |
| 7B | Glass | 100,000 | 200,000 | 300,000 |
| 8B | Water Damage and Sprinkler Leakage when combined with Fire | 200,000 | 800,000 | 1,000,000 |
| 9B | Elevator and Aircraft Property Damage | 200,000 | 400,000 | 600,000 |
| 10B | Credit Insurance | 200,000 | 400,000 | 600,000 |
| 11 | Title (title companies only) | 100,000 | 200,000 | 300,000 |
| | Mortgage | 200,000 | 400,000 | 600,000 |
| 12B | Burglary, Robbery, Theft, Forgery and Larceny | 200,000 | 800,000 | 1,000,000 |
| 13B | Livestock | 100,000 | 200,000 | 300,000 |
| 15 | Reinsurance (reinsurance companies only) | 500,000 | 3,000,000 | 3,500,000 |
| 16 | Life | 400,000 | 1,600,000 | 2,000,000 |
| 17 | Repair-replacement (when combined with one or more of classes 1, 2, and 8) | 400,000 | 1,600,000 | 2,000,000 |
| 19 | Legal Services | 100,000 | 200,000 | 300,000 |

MASSACHUSETTS (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MASSACHUSETTS (11/22) Ch. 175 §§ 47 to 48; 51; 54; 54B; 54C; 54E; 54F; 54G; Reg. 211CMR 20 (cont.)

NOTE A: The capital and surplus requirements of a company is the sum of the requirements for the lines for which it is licensed or seeks to be licensed, except as noted above or in NOTE B.

NOTE B: The capital requirement for two or more classes noted as B (4, 5, 6, 7, 8, 9, 10, 12, 13) is equal to the largest requirements of classes licensed plus one-half of the sum of the capital requirements for each additional such licensed classes.

NOTE C: The policyholders' surplus requirement for mutual insurance companies shall be the same as the total surplus noted above.

The Commissioner of Insurance has determined the minimum required capital and surplus for a non-life insurance company is to be capital of \$400,000 and surplus of \$800,000.

Commissioner may require additional capital and surplus based on type, volume and nature of business transacted. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MICHIGAN (11/22) §§ 500.410; 500.408; 500.4611

§ 500.410 Insurers licensed after January 1, 1999 (domestic, foreign or alien) shall possess and thereafter maintain unimpaired capital and surplus in an amount determined adequate by the commissioner (director) but not less than \$7.5 million. The director shall also take into account risk-based capital requirements. In summary, insurers licensed to transact insurance prior to July 21, 1965, may continue to transact insurance so long as they maintain the minimum financial requirements of Section 408 (see table below). However, insurers licensed prior to July 21, 1965, that attain capital and surplus of \$7.5 million must continue to maintain or exceed that level of capital and surplus.

| | § 500.408 | Domestic, foreign stock insurers CAPITAL | Domestic, foreign mutual life insurers SURPLUS | Domestic, foreign mutual insurers other than life ASSETS | Alien insurers U.S. ASSETS |
|----|---|---|---|---|-----------------------------------|
| 1. | Life | \$200,000 | \$200,000 | n/a | \$200,000 |
| 2. | Life and Disability | 300,000 | 300,000 | n/a | 300,000 |
| 3. | Disability (casualty insurer may transact without additional cap/surplus) | 200,000 | n/a | \$50,000 | 200,000 |
| 4. | Property and Marine | 200,000 | n/a | 50,000 | 200,000 |
| 5. | Automobile | 200,000 | n/a | 50,000 | 200,000 |
| 6. | Casualty | 200,000 | n/a | 50,000 | 200,000 |
| 7. | Surety and Fidelity | 250,000 | n/a | 250,000 | 250,000 |
| 8. | Surety and Fidelity, Casualty | 450,000 | n/a | 250,000 | 450,000 |
| 9. | Multiple Lines (other than insurance) | 500,000 | 500,000 | 500,000 | 500,000 |

| CAPTIVES | UNIMPAIRED PAID-IN CAPITAL AND SURPLUS |
|--|---|
| Pure Captive | \$150,000 |
| Association Captive (stock or LLC) | 400,000 |
| Association Captive (mutual) | 750,000 |
| Industrial Captive | 300,000 |
| Sponsored Captive (may be reduced by director) | 500,000 |
| Special Purpose Captive | Determined by Director |

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MINNESOTA (11/22) §§ 60A.06; 60A.07; 60A.61; 60A.206*

| | STOCK INSURERS | CAPITAL | INITIAL SURPLUS/SURPLUS TO BE MAINTAINED |
|-----|--|----------------|---|
| 1. | Fire | \$350,000 | \$350,000/175,000 |
| 2. | Marine and Transportation | 350,000 | 350,000/175,000 |
| 3. | Boiler and Machinery | 200,000 | 200,000/100,000 |
| 4. | Life [Mutual Insurers] | 1,000,000 | 2,000,000/100,000 [3,000,000/1,500,000] |
| 5a. | Accident and Sickness [Mutual Insurers] | 500,000 | 1,000,000/500,000 [1,500,000/1,000,000] |
| 5b. | Workers' Compensation | 500,000 | 1,000,000/500,000 |
| 6. | Fidelity and Surety | 500,000 | 500,000/250,000 |
| 7. | Title | 500,000 | 500,000/250,000 |
| 8. | Glass | 200,000 | 200,000/100,000 |
| 9. | Burglary, Theft and Forgery | 200,000 | 200,000/100,000 |
| 10. | Livestock | 200,000 | 200,000/100,000 |
| 11. | Credit | 350,000 | 700,000/350,000 |
| 12. | Vehicle | 500,000 | 1,000,000/500,000 |
| 13. | Liability | 500,000 | 1,000,000/500,000 |
| 14. | Elevator | 200,000 | 200,000/100,000 |
| 15. | Legal Expense | 350,000 | 350,000/175,000 |
| 16. | Multiple Lines 1-3, 5-15** [Mutual Insurers] | 1,000,000 | 1,000,000/500,000 [1,000,000/500,000] |
| 17. | Multiple Lines 4 & 5a [Mutual Insurers] | 1,000,000 | 2,000,000/500,000 [3,000,000/1,500,000] |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions, surplus lines requirements, and temporary capital stock of mutual life companies.

**If the sum of the capital and surplus requirements for the lines a company is licensed for is less than these amounts, the sum is used.

Non-assessable mutual insurers must meet same surplus requirements except where otherwise specified. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MISSISSIPPI (11/22) §§ 83-5-403; 83-19-31; 83-15-5; 83-33-11

| | | CAPITAL | SURPLUS |
|----|-----------------|----------------|----------------|
| 1. | Single Lines | \$400,000 | \$600,000 |
| 2. | Industrial Life | 100,000 | 50,000 |
| 3. | Multiple Lines | 600,000 | 900,000 |
| 4. | Title | 150,000 | 75,000 |

Insurers also are subject to risk-based capital requirements. All mutual and reciprocal companies shall meet capital and surplus requirements of a stock company writing similar lines of business.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MISSOURI (11/22) §§ 375.1250; 376.280; 379.010; 381.062; 376.010; 379.1306*

| | STOCK INSURERS: | PAID IN CAPITAL | SURPLUS |
|----|---|------------------------|----------------|
| 1. | Life | \$600,000 | \$600,000 |
| 2. | Property, Liability, Fidelity, Surety, Accident, and Health (single line) | 800,000 | 800,000 |
| 3. | More than one of #2 above – (multi-line) | 1,200,000 | 1,200,000 |
| 4. | Title | 800,000 | 800,000 |
| | MUTUAL INSURERS: | | |
| 1. | Life | | \$1,200,000 |
| 2. | Property, Liability, Fidelity, Surety, Accident, and Health (One line) | | 1,600,000 |
| 3. | More than one line of #2 above (multi-line) | | 2,400,000 |
| | CAPTIVE INSURERS: | | |
| 1. | Pure Captive | \$250,000 | \$250,000 |
| 2. | Association, Industrial, Sponsored Captive | 500,000 | 500,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MONTANA (11/22) §§ 33-2-109; 33-3-204; 33-28-104; 33-2-1903; 33-5-401

| | | Insurers Licensed in Montana Prior to Oct. 1, 1999 | Insurers Licensed in Montana on or After Oct. 1, 1999 (§ 33-2-109) | Special/Additional Surplus Required (§ 33-2-110) if active less than 5 years | Special/Additional Surplus Required if active more than 5 years (§ 33-2-110) |
|-----|--|---|---|---|---|
| | | CAPITAL OR SURPLUS | Minimum CAPITAL OR SURPLUS | | |
| 1. | Life | \$200,000 | \$600,000 | \$600,000 | \$300,000 |
| 2. | Disability | 200,000 | 500,000 | 500,000 | 250,000 |
| 3. | Life and Disability | 300,000 | 750,000 | 750,000 | 375,000 |
| 4. | Credit Life and Disability | 50,000 | 150,000 | 150,000 | 75,000 |
| 5. | Property | 400,000 | 500,000 | 500,000 | 250,000 |
| 6. | Marine | 400,000 | 500,000 | 500,000 | 250,000 |
| 7a. | Casualty except Workers' Compensation | 400,000 | 500,000 | 500,000 | 250,000 |
| 7b. | Casualty with Workers' Compensation | 600,000 | 750,000 | 750,000 | 375,000 |
| 8. | Surety | 500,000 | 500,000 | 500,000 | 250,000 |
| 9. | Title | 200,000 | 500,000 | 250,000 | 125,000 |
| 10. | Multiple Lines (two or more of property, marine, casualty, surety) | 800,000 | 1,000,000 | 1,000,000 | 500,000 |

MONTANA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

MONTANA (11/22) §§ 33-2-109; 33-3-204; 33-28-104; 33-2-1903; 33-5-401 (cont.)

| CAPTIVES | CAPITAL AND SURPLUS |
|--|---|
| Pure Captive Company | \$250,000 |
| Industrial Insured Captive Insurance Company | 500,000 |
| Association Captive Insurance Company | 500,000 |
| Special Purpose Captive Insurance Company | Amount to be determined by Commissioner. |
| Protected Cell Captive Insurance Company | 500,000 |
| Branch Captive Insurance Company | Not less than the applicable amount of capital and surplus required in provisions listed above. |
| Captive Reinsurance Company | Not less than 50% of the capital that would be required for that type of captive insurance company. |

Insurers also are subject to risk-based capital requirements.

| RECIPROCAL INSURERS | SURPLUS |
|--|----------------|
| Property | \$500,000 |
| Casualty Including Workers' Compensation | 750,000 |
| Casualty Excluding Workers' Compensation | 500,000 |

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEBRASKA (11/22) §§ 44-201; 44-214; 44-219; 44-2202; 44-423; 44-6001; 44-8209; 44-1985*

| | INITIAL CAPITAL AND SURPLUS (STOCK) OR SURPLUS (MUTUAL) | MAINTAINED SURPLUS |
|---|--|----------------------------|
| STOCK AND MUTUAL: | | |
| Single insurance line | \$1,000,000 | \$1,000,000 |
| Life and at least one of type other than life (multiple line) | 2,000,000 | 2,000,000 |
| Title | 1,000,000 | 1,000,000 |
| CAPTIVE: | | CAPITAL AND SURPLUS |
| Captive | | \$100,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEVADA (11/22) §§ 680A.120; 680A.130; 681B.400; 693A.190; 693A.250; 694C.250; 695F.200*

| | PAID-IN CAPITAL (STOCK) OR BASIC SURPLUS (MUTUAL) | INITIAL FREE SURPLUS |
|---|--|---------------------------------|
| Life, Annuities, Health, Property, Casualty, Surety, Marine and Transportation, and Multiple Line** | \$500,000 | \$1,000,000 |
| Home protection (other than casualty) | 50,000 | 50,000*** |
| Title | 500,000 | 750,000 |
| Financial Guarantee | 10,000,000 | 40,000,000 |
| Multiple Line** | 500,000 | 1,000,000 |
| Prepaid Limited Health Service Organization | 500,000 | |

| CAPTIVES | PAID-IN CAPITAL AND UNENCUMBERED SURPLUS |
|--------------------------------------|---|
| Pure Captive | \$200,000 |
| Association Captive | 500,000 |
| Agency Captive | 600,000 |
| Rental Captive | 800,000 |
| Sponsored Captive | 500,000 |
| State Chartered Risk Retention Group | 500,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions.

** See state provisions for foreign mutual insurers.

*** Combined total

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEW HAMPSHIRE (11/22) §§ 401:4; 402:13; 402:14; 404-F:1 to 404-F:11; 405:2; 405:4; 405:24; 407-C:2; 411:1; 416-A:5

| | | PAID UP CAPITAL | SURPLUS |
|----|--------------------------|------------------------|----------------------|
| 1. | All Stock Insurers | \$800,000 | 25% of capital stock |
| 2. | All Mutual Insurers | 500,000 | 800,000 |
| 3. | Life Stock Insurers | 600,000 | |
| 4. | Title Insurers | 200,000 | 100,000 |
| 5. | Motor Vehicle Assistance | 250,000* | 250,000* |

* Combined total

See state provisions for foreign company limits.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES**NEW JERSEY (11/22) §§ 17:17-1; 17:17-6; 17:17-7; 17:46B-7; 17:47B-3; 17B:18-68 to 17B:18-70; N.J. Admin. Code § 11:2-39.1***

| | | STOCK INSURERS | | MUTUAL INSURERS |
|----|--|----------------|-----------|--|
| | | CAPITAL | SURPLUS | NET CASH ASSETS/SURPLUS |
| a. | Fire, Earthquake, Crops** | \$500,000 | \$250,000 | 50% of amounts required for stock insurers |
| b. | Marine and Physical Damage** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| c. | Life and/or Annuity | 1,000,000 | 4,000,000 | \$4,000,000 |
| d. | Health | 700,000 | 2,800,000 | 3,000,000 |
| e. | Liability & Workers' Compensation | 1,000,000 | 1,000,000 | 2,000,000 |
| f. | Boiler and Machinery** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| g. | Fidelity and Surety | 500,000 | 750,000 | 1,250,000 |
| h. | Title | 500,000 | 250,000 | 500,000 (capital)/250,000 (surplus) |
| i. | Credit** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| j. | Burglary and Theft** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| k. | Glass** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| l. | Water Damage and Sprinkler Leakage** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| m. | Livestock** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| n. | Smoke and Smudge** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| o. | Any other approved p/c coverage (a company may be charged for a maximum of three lines) ** | 500,000 | 250,000 | 50% of amounts required for stock insurers |
| p. | Life, Health, Annuity (all three) | 1,530,000 | 6,120,000 | 6,300,000 |

| CAPTIVE INSURERS | PAID-IN CAPITAL AND UNENCUMBERED SURPLUS |
|----------------------------|--|
| Pure Captive | \$250,000 |
| Association Captive | 750,000 |
| Industrial Insured Captive | 500,000 |
| Sponsored Captive | 500,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions.

** Multiple lines: Capital required is greater of \$500,000 or \$200,000 for each line; surplus required is greater of \$250,000 or \$100,000 for each line.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEW MEXICO (11/22) §§ 59A-5-16; 59A-5A-1 to 59A-5A-13; 59A-14-4*

| | STOCK INSURERS | | MUTUALS |
|--|-----------------------|---------------------------|----------------------|
| | CAPITAL | SURPLUS | BASIC CAPITAL |
| Property/Casualty/Title Insurers: | | | |
| Under \$5 Million Premiums Volume: | | | |
| 1. One kind of insurance | \$500,000 | \$500,000 | \$500,000 |
| 2. Two kinds of insurance | 600,000 | 600,000 | 600,000 |
| \$5–\$10 Million Premium Volume | 800,000 | Same as under \$5 million | 800,000 |
| \$10–\$25 Million Premium Volume | 900,000 | Same as under \$5 million | 900,000 |
| Over \$25 Million Premium Volume | 1,000,000 | Same as under \$5 million | 1,000,000 |
| Life/Health Insurers: | | | |
| Under \$5 Million Premiums Volume | 600,000 | 400,000 | 600,000 |
| \$5–\$10 Million Premium Volume | 700,000 | 400,000 | 700,000 |
| \$10–\$25 Million Premium Volume | 800,000 | 400,000 | 800,000 |
| Over \$25 Million Premium Volume | 900,000 | 400,000 | 900,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions, requirements for surplus lines insurers. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEW YORK (11/22) Ins. §§ 1113; 4103; 4202; 4208; 4107; 7004; 1324

TABLE ONE – DOMESTIC STOCK COMPANIES

| GROUP A: | | CAPITAL | SURPLUS |
|-----------------|--|----------------|----------------|
| 1. | Life | \$2,000,000 | \$4,000,000 |
| 3(i). | Accident and Sickness | 100,000 | 50,000 |
| 3(ii). | Disability | 100,000 | 50,000 |
| 5. | Miscellaneous Property ^a | | |
| 6. | Water Damage ^{a,c} | 100,000 | 50,000 |
| *7. | Burglary and Theft | 300,000 | 150,000 |
| *8. | Glass | 100,000 | 50,000 |
| *9. | Boiler and Machinery | 100,000 | 50,000 |
| *10. | Elevator | 100,000 | 50,000 |
| *11. | Animal | 100,000 | 50,000 |
| 12. | Collision ^{b,c,d} | 100,000 | 50,000 |
| *13. | Personal Injury Liability | 500,000 | 250,000 |
| *14. | Property Damage Liability | 100,000 | 50,000 |
| *15. | Workers' Compensation/Employer Liability | 500,000 | 250,000 |
| *16. | Fidelity and Surety | 900,000 | 450,000 |
| *17. | Credit | 400,000 | 200,000 |
| 18. | Title | | |
| 19. | Motor Vehicle and Aircraft Physical Damage ^{c,d} | | |
| 21. | Marine Protection and Indemnity ^d | | |
| 22. | Residual Value | 2,000,000 | 1,000,000 |
| 23. | Mortgage Guaranty | | |
| 24. | Credit Unemployment | 400,000 | 200,000 |
| * | Basic Additional Amount Required to Write Any One or More of These Lines | 100,000 | 50,000 |
| 26A. | Motor Vehicle Lessor | 600,000 | 300,000 |
| 26B. | Motor Vehicle Lender | 200,000 | 100,000 |
| 26C. | Non-Motor Vehicle Lessor | 600,000 | 300,000 |
| 26D. | Non-Motor Vehicle Lender | 600,000 | 300,000 |
| 27. | Prize Indemnification | 300,000 | 150,000 |

NEW YORK (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEW YORK Ins. §§ 1113; 4103; 4202; 4208; 4107; 7004; 1324 (cont.)

TABLE ONE—DOMESTIC STOCK COMPANIES

| GROUP A (cont.) | | CAPITAL | SURPLUS |
|----------------------------|--|----------------|----------------|
| 28. | Service Contract Reimbursement Insurance | 2,000,000 | 1,000,000 |
| 30. | Involuntary Unemployment Insurance | 400,000 | 200,000 |
| 31. | Salary Protection Insurance | 100,000 | 50,000 |
| 32. | Donor Medical Expense Insurance | 100,000 | 50,000 |
| 33. | Excess Business Disability Insurance | 100,000 | 50,000 |

| GROUP B: | | CAPITAL | SURPLUS |
|-----------------|---------------------------------------|----------------|----------------|
| 4. | Fire ^c | \$500,000 | \$500,000 |
| 20. | Marine and Inland Marine ^d | 500,000 | 500,000 |

Multiple Lines: Domestic Stock Property/Casualty Insurers

If licensed to write one or more of the lines in Group A and having minimum capital of \$1,000,000 may be licensed to write any other kind of insurance in Group A upon having an initial surplus equal to the aggregate of capital and surplus specified and shall maintain a surplus of the greater of \$1,000,000 or aggregate capital specified.

If licensed to write any kind of insurance in Group A, must have minimum capital of \$1,000,000 and an initial surplus equal to the aggregate of capital and surplus specified before being additionally authorized to transact any insurance of Group B. Insurer shall maintain a surplus of the greater of \$1,000,000 or aggregate capital specified.

Insurers reinsuring lines of business and transacting business outside the U.S. for which they are not licensed to write directly, must maintain a minimum surplus to policyholders of \$35,000,000.

Domestic Stock Property/Casualty Insurers licensed prior to July 1, 1982, requirements are ½ of the amounts shown above, except for the dollar amounts for residual value (22), credit unemployment (24) and gap insurance (26).

Notes to TABLE ONE:

^a If licensed to write fire (4), additional capital and surplus is not required.

^b If licensed to write fire (4) or marine and inland marine (20), additional capital and surplus is not required.

^c If licensed to write fire (4), no additional capital and surplus is required to write miscellaneous property (5), water damage (6), collision (12), motor vehicle and aircraft physical damage (19) or inland marine only (20).

^d If licensed to write marine and inland marine (20), no additional capital and surplus is required to write collision (12), motor vehicle and aircraft physical damage (19) or marine protection and indemnity (21).

NEW YORK (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEW YORK Ins. §§ 1113; 4103; 4202; 4208; 4107; 7004; 1324 (cont.)

TABLE TWO—MUTUAL INSURERS

| | | INITIAL SURPLUS | MINIMUM SURPLUS TO BE MAINTAINED |
|-------------------------------|---------------------|------------------------|---|
| Fire | 4 ^{a,b,e} | \$300,000 | \$200,000 |
| Burglary | 7 | 300,000 | 200,000 |
| Glass | 8 | 150,000 | 100,000 |
| Boiler | 9 | 300,000 | 200,000 |
| Elevator | 10 | 150,000 | 100,000 |
| Animal | 11 | 150,000 | 100,000 |
| Personal Injury Liability | 13 ^{c,e} | 500,000 | 400,000 |
| Workers' Comp. | 15 ^f | 500,000 | 400,000 |
| Fidelity/Surety | 16 | 1,500,000 | 1,000,000 |
| Credit | 17 | 750,000 | 500,000 |
| Marine | 20 ^{b,d,e} | 1,000,000 | 500,000 |
| Marine Protection & Indemnity | 21 ^b | 500,000 | 500,000 |

If licensed to write any kind of insurance specified in TABLE TWO, a mutual property/casualty company may write any one or more of the kinds of insurance specified in TABLE THREE—Group A and Group B.

If licensed to write any kind of insurance specified in TABLE THREE—Group A, it may write any one or more of the kinds of insurance specified in TABLE THREE—Group C.

The amounts shown in TABLE THREE are added to the initial and minimum surplus for the kind of insurance for which the mutual was organized as set forth in TABLE TWO.

Life insurers also are subject to risk-based capital requirements.

Mutuals reinsuring risks or writing insurance on risks outside U.S. must maintain surplus of at least \$35,000,000.

NEW YORK (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEW YORK Ins. §§ 1113; 4103; 4202; 4208; 4107; 7004; 1324 (cont.)

TABLE THREE—MUTUAL INSURERS

| | GROUP A | INITIAL SURPLUS | MINIMUM SURPLUS TO BE MAINTAINED |
|---------------------------|---------------------|------------------------|---|
| Burglary | 7 | \$100,000 | \$100,000 |
| Glass | 8 | 50,000 | 50,000 |
| Boiler | 9 | 100,000 | 100,000 |
| Elevator | 10 | 50,000 | 50,000 |
| Animal | 11 | 50,000 | 50,000 |
| Personal Injury Liability | 13 ^{c,e} | 300,000 | 300,000 |
| Workers' Comp. | 15 | 300,000 | 300,000 |
| Fidelity/Surety | 16 | 900,000 | 900,000 |
| Credit | 17 | 300,000 | 300,000 |
| | GROUP B | INITIAL SURPLUS | MINIMUM SURPLUS TO BE MAINTAINED |
| Fire | 4 ^{a,b} | 300,000 | 200,000 |
| Marine | 20 ^{b,d,e} | 1,000,000 | 500,000 |
| | GROUP C | INITIAL SURPLUS | MINIMUM SURPLUS TO BE MAINTAINED |
| Accident & Sickness | 3(i) | 100,000 | 100,000 |
| Disability | 3(ii) | 100,000 | 100,000 |
| Water Damage | 6 ^{a,c,g} | 50,000 | 50,000 |
| Collision | 12 ^{a,c,h} | 50,000 | 50,000 |
| Property Damage Liability | 14 ^{c,e} | 50,000 | 50,000 |
| Residual Value | 22 | 3,000,000 | 2,000,000 |
| Credit Unemployment | 24 | 300,000 | 300,000 |
| Motor Vehicle Lessor | 26A | 900,000 | 600,000 |
| Motor Vehicle Lender | 26B | 300,000 | 200,000 |
| Non-Motor Vehicle Lessor | 26C | 900,000 | 600,000 |
| Non-Motor Vehicle Lender | 26D | 900,000 | 600,000 |
| Prize Indemnification | 27 | 300,000 | 150,000 |
| Service Contract | 28 | 3,000,000 | 2,000,000 |
| Reimbursement Insurance | | | |

NEW YORK (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NEW YORK Ins. §§ 1113; 4103; 4202; 4208; 4107; 7004; 1324 (cont.)

Notes for TABLE TWO and TABLE THREE:

- ^a If licensed to write fire (4), no additional surplus required for miscellaneous (5), water damage (6), collision (12), motor vehicle and aircraft physical damage (19) and inland marine only (20).
- ^b If organized to write fire (4), marine and inland marine (20) or marine protection and indemnity (21), the initial and minimum surplus required for burglary and theft (7), glass (8), boiler and machinery (9), elevator (10), animal (11), personal injury liability (13), workers’ comp. (15), fidelity & surety (16), or credit (17) is to be taken from TABLE TWO for the line with the highest initial surplus.
- ^c If licensed to write personal injury liability (13), no additional surplus required for water damage (6), collision (12) and property damage liability (14).
- ^d If licensed to write marine and inland marine (20), no additional surplus required for collision (12), motor vehicle and aircraft physical damage (19) and marine protection and indemnity (21).
- ^e If licensed to write personal injury liability (13), property damage liability (14) and motor vehicle and aircraft physical damage (19), must maintain a surplus of \$600,000.
- ^f If licensed to write workers’ comp. (15), no additional surplus required for accident and sickness only (3(i)) if licensed for the purpose of Workers’ Comp. Art. 9.
- ^g If licensed to write fire (4) or personal injury liability (13), no additional initial and minimum surplus is required.
- ^h If licensed to write fire (4), personal injury liability (13) or marine and inland marine (20), no additional initial and minimum surplus is required.

| CAPTIVES | | CAPITAL AND SUPRLUS |
|----------|---|---|
| 1. | Pure Captive Company Incorporated as a Stock Insurer | \$250,000, of which 100,000 shall represent paid-in capital |
| 2. | Pure Captive Insurance Company Incorporated as a Mutual Insurer | 250,000 |
| 3. | Group Captive Insurance Company as a Stock Insurer | 500,000, of which 200,000 shall represent paid-in capital |
| 4. | Group Captive Insurance Company as a Mutual Insurer | 500,000. |

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NORTH CAROLINA (11/22) §§ 58-7-75; 58-7-15; 58-10-370; 58-12-6; 58-67-110; 58-93-70; 58-15-30*

| | STOCK INSURERS: | PAID-IN CAPITAL | SURPLUS # |
|----|---|------------------------|-------------------|
| 1. | Life | \$600,000 | \$900,000/150,000 |
| 2. | Accident and Health (cancelable) | 400,000 | 600,000/100,000 |
| 3. | Accident and Health (cancelable and noncancelable) | 600,000 | 900,000/150,000 |
| 4. | One or more of the following lines: fire, misc. property, water damage, burglary and theft, glass, animal, collision, motor vehicle and aircraft, marine, marine protection and indemnity, or miscellaneous | 800,000 | 1,200,000/200,000 |
| 5. | One or more of the following lines: accident and health, water damage, burglary and theft, glass, boiler and machinery, elevator, animal, collision, personal injury liability, property damage liability, workers' compensation and employers' liability, fidelity and surety, credit, title, motor vehicle and aircraft, marine protection and indemnity, miscellaneous, or mortgage guaranty | 1,000,000 | 1,500,000/250,000 |

First amount is initial requirement/second amount is that to be constantly maintained.

| | MUTUAL INSURERS: | INITIAL SURPLUS | CONSTANTLY MAINTAINED SURPLUS |
|-----|--|--|---|
| 1. | Limited assessable: | | |
| | Fire, misc. property, water damage, burglary and theft, glass, animal, collision, motor vehicle and aircraft, marine, marine protection and indemnity and/or miscellaneous lines | \$300,000 | \$300,000 |
| 2. | Assessable: | | |
| 2a. | Fire, misc. property and/or water damage | twice the net retained liability under the largest policy of insurance; never less than 60,000 | Amount equal to initial surplus constantly maintained |
| 2b. | Burglary and theft, glass, animal, collision, motor vehicle and aircraft, marine, marine protection and indemnity and/or miscellaneous lines | | 60,000 constantly maintained |
| 2c. | Casualty, Fidelity and Surety | | 400,000 constantly maintained |

NORTH CAROLINA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NORTH CAROLINA §§ 58-7-75; 58-7-15; 58-10-370; 58-12-6; 58-67-110; 58-93-70; 58-15-30* (cont.)

| | MUTUAL INSURERS: | INITIAL SURPLUS | CONSTANTLY MAINTAINED SURPLUS |
|-----|---|-------------------------------|--------------------------------------|
| 3. | Non-assessable: | | |
| 3a. | Fire, misc. property, water damage, burglary and theft, glass, animal, collision, motor vehicle and aircraft, marine, marine protection and indemnity and/or miscellaneous lines | | \$800,000 constantly maintained |
| 3b. | Accident and health, water damage, burglary and theft, glass, boiler and machinery, elevator, animal, collision, personal injury liability, property damage liability, workers' compensation and employers' liability, fidelity and surety, credit, title, motor vehicle and aircraft, marine, marine protection and indemnity and/or miscellaneous | | 1,000,000 constantly maintained |
| 3c. | Life and Annuities | \$200,000 | 100,000 |
| 3d. | Accidental Death and Personal Injury | 200,000 | 100,000 |
| 3e. | Disability (noncancelable) | 500,000 | 300,000 |
| 3f. | Multiple Lines | combined minimum requirements | combined minimum requirements |

| | OTHER ENTITIES: | NET WORTH |
|----|--|------------------|
| 1. | Health Maintenance Organization – Full service | \$1,000,000 |
| 2. | Health Maintenance Organization – Single Service | 50,000 |
| 3. | Prepaid Health Plan | 1,000,000 |

| | CAPTIVES | CAPITAL AND SUPRUS |
|----|--|--|
| 1. | Pure Captive Insurance Company | \$250,000 or some other amount determined by the Commissioner. |
| 2. | Association Captive Insurance Company | 500,000 |
| 3. | Industrial Insured Captive Insurance Company | 500,000 |
| 4. | Risk Retention Groups | 1,000,000 |
| 5. | Protected Cell Captive Insurance Company | 250,000 or some other amount determined by the Commissioner |
| 6. | Special Purpose Captive Insurance Company | 250,000 or some other amount determined by the Commissioner. |

Insurers also are subject to risk-based capital requirements.

*Each domestic, foreign, or alien reciprocal shall maintain a surplus of at least \$800,000.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

NORTH DAKOTA (11/22) §§ 26.1-03.1-01 to 26.1-03.1-13; 26.1-05-04; 26.1-12-08; 26.1-12-10; 26.1-20-02; 26.1-44-03; 26.1-40-18*

| | | CAPITAL | SURPLUS |
|----|---|-------------------|----------------|
| 1. | All Stock Insurers | \$500,000 | \$500,000 |
| 2. | All Mutual Companies | | 1,000,000 |
| 3. | Title (stock) | 500,000 | 500,000 |
| 4. | Title (mutual) | | 500,000 |
| 5. | Automobile Warranties (not original manufacturer) | 10 - 15,000,000** | |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and requirements for surplus lines.

** Combined capital and surplus.

Above amounts must be maintained as minimum at all times (total of capital and surplus for stock insurers must be no less than \$1,000,000). Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

OHIO (11/22) §§ 3907.05; 3909.02; 3925.12; 3929.01; 3929.011; 3953.05; 3964.05; 3903.82

List A: Fire, allied lines, farm owners’ multiple peril, homeowners’ multiple peril, ocean marine, inland marine, earthquake, group accident and health, credit accident and health, other accident and health, auto liability, auto physical damage, aircraft, glass, burglary and theft, boiler and machinery, and credit.

List B: Commercial multiple peril, financial guaranty, medical malpractice, workers compensation, other liability, fidelity, surety, any other risk other than life insurance.

List C: Reinsurance only.

Stock insurers other than life or title:

For a new or renewal certificate of authority issued after Aug. 8, 1991, domestic and foreign insurers writing the lines in each list must have:

| | | TOTAL MAINTAINED CAPITAL AND SURPLUS | AT LEAST CAPITAL | AT LEAST CONTRIBUTED SURPLUS |
|----|---|---|-----------------------------|---|
| 1. | List A | \$2,500,000 | \$1,000,000 | \$1,000,000 |
| 2. | List B | 5,000,000 | 1,000,000 | 1,000,000 |
| 3. | List C | 10,000,000 | 1,000,000 | 1,000,000 |
| 4. | Assumes reinsurance and writes from List A or B | 10,000,000 | 1,000,000 | 1,000,000 |

Mutual insurers other than life or title:

For a new or renewal certificate of authority issued after Aug. 8, 1991, insurers writing any of the lines listed in each list shall have:

| | | TOTAL MAINTAINED SURPLUS |
|----|---|---------------------------------|
| 1. | List A | \$2,500,000 |
| 2. | List B | 5,000,000 |
| 3. | List C | 10,000,000 |
| 4. | Assumes reinsurance and writes from List A or B | 10,000,000 |

Title insurers: \$120,000 capital and \$180,000 surplus.

Life insurers: Stock: \$2,500,000 capital and surplus with at least \$1,000,000 each in capital and contributed surplus.

Mutual: \$2,500,000 surplus.

| CAPTIVES | CAPITAL AND SUPRLUS |
|---|----------------------------|
| 1. Captive Insurance Company | \$250,000 |
| 2. Protected Cell Captive Insurance Company | 500,000 |

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

OKLAHOMA (11/22) title 36 §§ 610; 612 to 612.2; 1523; 2907; 6470.6*

| | CAPITAL AND SURPLUS |
|---|----------------------------|
| Capital and Surplus (if a stock insurer) or Surplus (if a mutual insurer) | \$1,500,000 |
| Noncancelable or guaranteed renewable health | 2,000,000 |
| Workers' Compensation | 5,000,000 |
| Reciprocal Property | 100,000 |
| Reciprocal Vehicle | 150,000 |

| CAPTIVE INSURERS: | CAPITAL AND SURPLUS |
|--|----------------------------------|
| Pure Captive | \$250,000 |
| Association Captive | 750,000 |
| Industrial Insured | 500,000 |
| Sponsored | 500,000 |
| Any doing business as a risk retention group | 1,000,000 |
| Special Purpose or Branch | 250,000 |
| Series Captive | Amount Specified by Commissioner |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions.

Add \$100,000 to surplus for each additional line of insurance (except for combination of vehicle, accident, health, and casualty; cannot combine life and title; must not be less than amount of surplus required of the company if transacting the same type of insurance elsewhere).

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

OREGON (11/22) §§ 731.554; 731.562; 731.566; 735.162; 735.415; Or. Admin. R. 836-011-0300

| | | CAPITAL AND SURPLUS |
|----|--|---|
| 1. | All insurers not included below: | \$2,500,000 |
| 2. | Workers' Compensation (including reciprocal) | 5,000,000 |
| 3. | Mortgage | 4,000,000 |
| 4. | Home Protection | 10% aggregate premiums, not less than 250,000 nor more than 1,000,000 |
| 5. | Title | 2,500,000 |
| 6. | Reciprocal | 2,500,000 |

| | CAPTIVE INSURERS | CAPITAL AND/OR SURPLUS |
|----|---------------------------------------|-------------------------------|
| 1. | Pure Captive | \$250,000 |
| 2. | Association Captive (stock or mutual) | 750,000 |
| 3. | Captive Reinsurer | 300,000,000 |
| 4. | Branch | Discretion of Director |

See state provisions for foreign company limits and surplus lines requirements.

Director may require amounts in excess of these numbers due to type, volume and nature of business transacted. Insurers also are subject to risk-based capital requirements. When applying for initial Certificate of authority, additional surplus requirement of \$500,000 (\$10,000 for home protection).

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES**PENNSYLVANIA (11/22) 40 P.S. §§ 221.1-A; 221.3-A; 382; 386; 623.4; 910-5**

| | | CAPITAL | CONTRIBUTED SURPLUS |
|-----|---|----------------|----------------------------|
| (a) | Class of Business | | |
| | (1) Life, Variable Life, Variable Annuities | \$1,000,000 | \$500,000 |
| | (2) Accident and Health | 100,000 | 50,000 |
| | Total (a) Authority | 1,100,000 | 550,000 |
| (b) | Class of Business | | |
| | (1) Fire, Allied Lines | 100,000 | 50,000 |
| | (2) Inland Marine, Auto Physical Damage | 100,000 | 50,000 |
| | (3) Ocean Marine | 200,000 | 100,000 |
| | Total (b) Authority | 400,000 | 200,000 |
| (c) | Class of Business | | |
| | (1) Fidelity & Surety | 200,000 | 100,000 |
| | (2) Accident and Health | 50,000 | 25,000 |
| | (3) Glass | 50,000 | 25,000 |
| | (4) Other Liability including professional liability, medical malpractice, etc. | 50,000 | 25,000 |
| | (5) Boiler & Machinery | 50,000 | 25,000 |
| | (6) Burglary & Theft | 50,000 | 25,000 |
| | (7) Credit | 100,000 | 50,000 |
| | (8) Water Damage | 50,000 | 25,000 |
| | (9) Elevator | 50,000 | 25,000 |
| | (10) Livestock | 50,000 | 25,000 |
| | (11) Auto Liability | 500,000 | 250,000 |
| | (12) Mine | 50,000 | 25,000 |
| | (13) Personal Property Floater | 50,000 | 25,000 |
| | (14) Workers' Compensation | 750,000 | 375,000 |
| | Total (c) Authority | 1,950,000 | 975,000 |
| | Total (b) & (c) Authority | 2,350,000 | 1,175,000 |
| | Title | 500,000 | 250,000 |
| | Limited Life | 25,000 | 25,000 |

PENNSYLVANIA (cont.)

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

PENNSYLVANIA 40 P.S. §§ 221.1-A; 221.3-A; 382; 386; 623.4; 910-5 (cont.)

Minimum capital and contributed surplus for any one (c) authority is at least \$750,000 and \$375,000, respectively. For any two or more classes of insurance, the capital must equal the *greater of* \$750,000 or the sum of total required for each class; contributed surplus must equal or exceed 50% of the minimum required capital.

Mutual insurers issuing non-assessable policies must possess surplus equal to the capital required for stock insurers.

Mutual life insurers must have a guarantee capital, before commencing business, of not less than \$2,000,000, and shall maintain unimpaired a policyholder's surplus of \$1,000,000 out of guarantee capital, surplus, or any combination thereof. Mutual life insurers authorized to issue variable annuity contracts, in addition to life and annuity contracts; must have a policyholder's surplus of not less than \$1,500,000.

No additional amounts are required by stock life insurers for variable life and variable annuity authority; however, separate authorization must be sought for variable authority. Insurers also are subject to risk-based capital requirements.

NOTE: The above capital and surplus amounts are statutory minimums. The insurance commissioner has the discretion to require additional amounts based on type, nature and volume of business conducted. Because Section 503 of the Insurance Department Act requires insurers to maintain the minimum required capital and surplus unimpaired at all times, the insurance commissioner will require newly incorporated insurers to demonstrate possession of surplus over the statutory minimum amount. The exact amount of additional surplus will be dependent upon the financial forecasts included in the insurer's business plan.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

PUERTO RICO (11/22) Title 26 §§ 304; 309; 310; 312; 314; 1007a; 2302; 4308; 4502

| | STOCK/MUTUAL/COOPERATIVE | CAPITAL or SURPLUS* | RECIPROCALs or LLOYD’S SURPLUS |
|-----|---|--|---------------------------------------|
| 1. | Life | \$1,500,000 | N/A |
| 2. | Disability | 1,000,000 | \$1,000,000 |
| 3. | Life and Disability | 2,500,000 | N/A |
| 4. | Property | 2,000,000 | 2,000,000 |
| 5. | Agricultural only | must qualify for property | |
| 6. | Marine and Transport | 1,500,000 | 1,500,000 |
| 7. | Casualty | 2,000,000 | 2,000,000 |
| 8. | Vehicle only | 1,500,000 | 1,500,000 |
| 9. | Surety and Fidelity | 1,500,000 | 1,500,000 |
| 10. | Title | 1,500,000 | N/A |
| 11. | Mortgage Loans** | 3,000,000 | N/A |
| 12. | All Lines but Life and Mortgage Loans | 3,000,000 | 3,000,000 |
| 13. | Insurers not organized in the United States | Half amount of domestic line up to 1,000,000 | |

*New insurers must hold at least one half this amount at time of original authorization.

**Capital and surplus amounts are required (not combined).

For lawful combinations, add \$200,000 for each additional kind of insurance up to \$3,000,000 (any line may be combined with casualty to form one lawful combination; does not apply to mortgage loan insurers). Commissioner may increase by discretion. Insurers also are subject to risk-based capital requirements.

See state provisions for international insurers and surplus lines requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

RHODE ISLAND (11/22) §§ 27-2-5; 27-1-37; 27-2.6-7; 27-3-40; 27-4.6-1; 27-43-4; 27-43-5*

| | | STOCK | | MUTUALS |
|----|--|-------------------------------|---------------------|-------------------------|
| | | CAPITAL | CONTRIBUTED SURPLUS | ASSETS OVER LIABILITIES |
| 1. | Domestic Insurers | \$1,000,000 | \$2,000,000 | \$3,000,000 |
| 2. | Foreign Insurers | 2,000,000 | 4,000,000 | 6,000,000 |
| 3. | Title | 500,000 | 500,000 | |
| 4. | Monoline Companies (defined as a company that deals exclusively in surety bonding) | 2,000,000 capital and surplus | | |

| | CAPTIVE INSURERS | CAPITAL | SURPLUS |
|----|-----------------------------|-----------|-----------|
| 1. | Subsidiary Captive | \$100,000 | \$150,000 |
| 2. | Association Captive (stock) | 400,000 | 350,000 |
| 3. | Association (mutual) | | 750,000 |
| 4. | Industrial (stock) | 200,000 | 300,000 |
| 5. | Industrial (mutual) | | 500,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and requirements for surplus lines. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

SOUTH CAROLINA (11/22) §§ 38-9-10; 38-9-20; 38-9-30; 38-9-310 to 460; 38-17-100; 38-90-40*

| | STOCK INSURERS: | CAPITAL | INITIAL SURPLUS | MAINTAINED SURPLUS |
|----|---------------------------|----------------|------------------------|---------------------------|
| 1. | Life | \$600,000 | \$600,000 | 25% initial amount |
| 2. | Accident and Health | 600,000 | 600,000 | 25% initial amount |
| 3. | Life, Accident and Health | 1,200,000 | 1,200,000 | 25% initial amount |
| 4. | Property | 1,200,000 | 1,200,000 | 25% initial amount |
| 5. | Casualty | 1,200,000 | 1,200,000 | 25% initial amount |
| 6. | Surety | 1,200,000 | 1,200,000 | 25% initial amount |
| 7. | Marine | 1,200,000 | 1,200,000 | 25% initial amount |
| 8. | Title | 600,000 | 600,000 | 25% initial amount |
| 9. | Multiple Lines | 1,500,000 | 1,500,000 | 25% initial amount |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions.
 The director may require additional initial capital and surplus based on the type or nature of business transacted.
 Insurers are also subject to risk-based capital requirements.

| | MUTUAL INSURERS: | INITIAL SURPLUS | MAINTAINED SURPLUS |
|----|---------------------------|------------------------|---------------------------|
| 1. | Life | \$1,200,000 | \$750,000 |
| 2. | Accident and Health | 1,200,000 | 750,000 |
| 3. | Life, Accident and Health | 2,400,000 | 1,500,000 |
| 4. | Property | 2,400,000 | 1,500,000 |
| 5. | Casualty | 2,400,000 | 1,500,000 |
| 6. | Surety | 2,400,000 | 1,500,000 |
| 7. | Marine | 2,400,000 | 1,500,000 |
| 8. | Title | 1,200,000 | 750,000 |
| 9. | Multiple Lines | 3,000,000 | 1,875,000 |

| | CAPTIVE INSURERS | CAPITAL and/or SURPLUS |
|----|-------------------------|-------------------------------|
| 1. | Pure Captive | \$250,000 |
| 2. | Association Captive | 750,000 |
| 3. | Industrial Captive | 500,000 |
| 4. | Sponsored Captive | 250,000 |
| 5. | Special Purpose Captive | Amount determined by Director |

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

SOUTH DAKOTA (11/22) §§ 58-6-23; 58-6-25; 58-32-22; 58-46-8; 58-4-48; S.D. Admin. R. § 20:06:36:01*

| | | BASIC CAPITAL or SURPLUS | ADDITIONAL SURPLUS |
|-----|--|-------------------------------------|-------------------------------|
| 1. | Life Domestic Stock Foreign | \$200,000 300,000 | \$300,000 350,000 |
| 2. | Health Domestic Stock Foreign | 200,000 300,000 | 300,000 350,000 |
| 3. | Life and Health Domestic Stock Foreign | 400,000 400,000 | 400,000 525,000 |
| 4. | Property | 200,000 | 300,000 |
| 5. | Casualty with Workers' Compensation Without Workers' Compensation | 300,000 200,000 | 350,000 300,000 |
| 6. | Marine and Transportation | 200,000 | 300,000 |
| 7. | Surety | 200,000 | 300,000 |
| 8. | Title | 200,000 | 300,000 |
| 9. | Multiple Lines | 400,000 | 400,000 |
| 10. | Captive Insurance (capital and surplus) | 250,000 | |
| 11. | Trust Captive Insurance | 100,000 | |

* See state provisions for surplus lines requirements.

If within three years after initial certificate of authority is issued, the insurer applies to transact additional lines, it must possess capital and surplus in the aggregate as shown above. Division may require insurer to increase capital and surplus based on type and amount of risk, NAIC produced ratios or any other factor. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

TENNESSEE (11/22) §§ 56-2-114; 56-2-115; 56-13-105; 56-18-102; 56-23-101; 56-32-112; 56-35-112; 56-46-103

| | | CAPITAL | SURPLUS |
|----|----------------------------------|----------------|--------------------------------------|
| 1. | Stock Insurers | \$1,000,000 | \$1,000,000 |
| 2. | Mutual Insurers | | 2,000,000 |
| 3. | Limited Credit Reinsurers | 150,000 | 50% of capital |
| 4. | Health Maintenance Organizations | | 1,500,000 minimum net worth |
| 5. | Title Insurance Companies | 100,000 | 500,000 Total Capital and Surplus |

| | CAPTIVE INSURERS | CAPITAL and SURPLUS |
|----|-------------------------|----------------------------|
| 1. | Pure Captive | \$250,000 |
| 2. | Association Captive | 500,000 |
| 3. | Industrial Captive | 500,000 |
| 4. | Risk Retention Captive | 1,000,000 |
| 5. | Protected Cell Captive | 100,000 |

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

TEXAS (11/22) Ins. §§ 822.054; 822.210; 822.212; 841.054; 841.302; 841.410; 861.251; 882.055; 884.054; 964.056; 981.057; 982.105; 883.201; 2553.002; 28 Tex. Admin. Code §7.402*

| | | CAPITAL | SURPLUS |
|----|---|----------------|----------------|
| 1. | Companies other than Life, Accident or Health (stock, mutual, or foreign) | \$2,500,000 | \$2,500,000 |
| 2. | Life** and/or Accident** and/or Health (stock, mutual, or foreign) | 700,000 | 700,000 |
| 3. | Limited Purpose Subsidiary Life (capital and surplus combined) | 10,000,000 | 10,000,000 |
| 4. | Mutual Life | | 200,000 |
| 5. | Stipulated Premium | 200,000 | 75,000 |
| 6. | Captive Insurance (capital and surplus) | 250,000 | 250,000 |
| 7. | Title | 1,000,000 | 1,000,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines.

**See state provisions for graduated limits on policy amounts by capital and surplus amounts.

The department may adopt rules, regulations and guidelines requiring any company incorporated under this article and any admitted alien or foreign insurer to maintain capital and surplus levels in excess of the statutory levels required by this article based upon nature, type and volume of risks, company’s portfolio, and company’s reserves. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

UTAH (11/22) §§ 31A-5-211; 31A-9-209; 31A-14-205; 31A-17-601 to 613; 31A-37-204; 31A-4-105.5*

| | STOCK, MUTUAL, or FOREIGN | CAPITAL (STOCK) OR SURPLUS (MUTUAL) | PERMANENT SURPLUS** |
|-------|---|--|----------------------------|
| 1. | Life, Annuity, Health or any combination | \$400,000 | \$400,000 |
| ***2. | Property | 200,000 | 200,000 |
| ***3. | Surety | 300,000 | 300,000 |
| ***4. | Bail Bonds only | 100,000 | 100,000 |
| ***5. | Marine and Transportation | 200,000 | 200,000 |
| ***6. | Vehicle Liability, Residential Dwelling, or both | 400,000 | 400,000 |
| ***7. | Liability | 600,000 | 600,000 |
| ***8. | Workers' Compensation | 300,000 | 300,000 |
| 9. | Title | 200,000 | 200,000 |
| 10. | Professional Liability, excluding Medical Malpractice | 700,000 | 700,000 |
| 11. | Professional Liability, including Medical Malpractice | 1,000,000 | 1,000,000 |
| 12. | Multiple Lines, except life, annuity, or title | 2,000,000 | 2,000,000 |

| | CAPTIVE INSURERS | UNIMPAIRED PAID-IN CAPITAL | UNIMPAIRED PAID-IN SURPLUS |
|----|-------------------------|---------------------------------------|---------------------------------------|
| 1. | Pure Captive | \$250,000 | \$250,000 |
| 2. | Association Captive | 750,000 | 750,000 |
| 3. | Industrial Captive | 700,000 | 700,000 |
| 4. | Sponsored Captive | 500,000 (200,000 provided by sponsor) | 500,000 (200,000 provided by sponsor) |

Assessable mutuals shall not issue life or annuities; need not have a permanent surplus if policyholder assessment liability is unlimited; compulsory surplus is equal to that required of an insurer if non-assessable in compliance with the code.

* See state provisions for specific capital and surplus requirements relating to grandfather provisions.

** Permanent surplus for non-assessable mutuals only.

*** Subject to an aggregate maximum of \$1,000,000.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

VERMONT (11/22) Title 8 §§ 3301; 3304; 3309; 6004; 8302; Bulletin 43 (Revised Mar. 7, 2018)

| STOCK INSURERS: | CAPITAL | SURPLUS |
|---|----------------------|---------------------|
| All Insurers Seeking to Commence Business | \$2,000,000 | \$3,000,000 |
| MUTUAL INSURERS: | BASIC SURPLUS | FREE SURPLUS |
| Commencing Business | | 5,000,000 |
| HMO (net worth) | | 1,500,000 |

| | CAPTIVE INSURERS | UNIMPAIRED PAID-IN CAPITAL and SURPLUS | |
|----|-------------------------|---|--|
| 1. | Pure Captive | \$250,000 | |
| 2. | Association Captive | 500,000 | |
| 3. | Industrial Captive | 500,000 | |
| 4. | Agency Captive | 500,000 | |
| 5. | Risk Retention Captive | 1,000,000 | |
| 6. | Sponsored Captive | 100,000 | |

Commissioner may prescribe additional capital or surplus for all insurers based upon the type, volume, and nature of insurance transacted. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

VIRGIN ISLANDS (11/21) Title 22 §§ 451; 462*; 466; 471; 1152; 1676

| | STOCK AND MUTUAL INITIAL REQUIREMENTS and MINIMUM REQUIREMENTS | CAPITAL | SURPLUS | *ADDITIONAL CAPITAL/SURPLUS REQUIRED IF TRANSACTIONING MULTIPLE LINES (PER LINE) |
|------|---|----------------|----------------|---|
| 1. | Life | \$1,000,000 | \$500,000 | |
| 2. | Disability | 1,000,000 | 250,000 | \$50,000 – 250,000 |
| 3. | Life and Disability | 1,250,000 | 750,000 | |
| 4. | Property | 2,000,000 | 950,000 | 50,000 – 150,000 |
| 5. | Marine and Transportation | 2,500,000 | 1,250,000 | 25,000 – 100,000 |
| 6. | Vehicle only Casualty | 2,000,000 | 1,000,000 | 50,000 – 150,000 |
| 7. | General Casualty | 3,000,000 | 1,500,000 | 25,000 – 50,000 |
| 8. | Surety | 1,000,000 | 4,000,000 | 50,000 |
| 9. | Bail Bonds only | 500,000 | 250,000 | 50,000 – 275,000 |
| 10. | Title | 100,000 | | |
| 11. | Ambulance Service Contracts | 100,000 | 75,000 | |
| 121. | All Lines except Life and Title | 4,500,000 | 2,500,000 | |

See state provisions for foreign mutual insurer requirements. Domestic mutual life or disability insurers may be authorized to transact both life and disability with \$100,000 surplus requirement.

General casualty lines added require additional \$100,000 in surplus.

Special Surplus:

- A. Vehicle, General Casualty (except disability and fidelity), Marine and Transportation, or Surety (except bail bond and fidelity): \$100,000.
- B. All Lines but Life, Title and Disability: \$250,000.

Insurers are also subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

VIRGINIA (11/22) §§ 38.2-1037; 38.2-1028; 38.2-1029; 38.2-1030; 38.2-1105; 38.2-1206; 38.2-1213; 38.2-4811; 38.2-5500 to 38.2-5514*

| | | CAPITAL | SURPLUS |
|----|--|----------------|----------------|
| 1. | All Stock Insurers | \$1,000,000 | \$3,000,000 |
| 2. | Mutual Insurers | | 1,600,000 |
| 3. | Mutual Insurers (domestic/foreign without contingency) | | 4,000,000 |
| 4. | Reciprocals | | 1,600,000 |
| 5. | Non-assessable Reciprocals | | 4,000,000 |
| 6. | Captive Insurers | \$1,000,000 | \$3,000,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements.

Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

WASHINGTON (11/22) § 48.05.340; 48.05.430; 48.43.305; 48.09.090; 48.09.100*; 48.201.030**

| | STOCK, MUTUAL, or FOREIGN | PAID-IN CAPITAL STOCK OR BASIC SURPLUS | ADDITIONAL SURPLUS |
|-----|--|---|-------------------------------|
| 1. | Life | \$2,000,000 | \$2,000,000 |
| 2. | Disability | 2,000,000 | 2,000,000 |
| 3. | Life and Disability | 2,400,000 | 2,400,000 |
| 4. | Property | 2,000,000 | 2,000,000 |
| 5. | Marine and Transportation | 2,000,000 | 2,000,000 |
| 6. | General Casualty | 2,400,000 | 2,400,000 |
| 7. | Vehicle | 2,000,000 | 2,000,000 |
| 8. | Surety | 2,000,000 | 2,000,000 |
| 9 | Ocean Marine and Foreign Trade | 2,000,000 | 2,000,000 |
| 10. | Any two of the following: property, marine and transportation, general casualty, vehicle, surety, ocean marine, foreign trade, or disability | 3,000,000 | 3,000,000 |
| 11. | Multiple Lines (all but Life and Title) | 3,000,000 | 3,000,000 |
| 12. | Title | 2,000,000 | 2,000,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements. Commissioner may require insurers to maintain additional capital and surplus based on type, volume and nature of insurance business transacted, consistent with NAIC requirements. Insurers also are subject to risk-based capital requirements.

**The commissioner will only approve an eligible captive insurer’s registration if its assets exceed its liabilities by at least \$1,000,000.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

WEST VIRGINIA (11/22) §§ 33-3-5b; 33-12C-5; 33-24-10; 33-31-4; 33-40-1 to 33-40-13; 33-25D-6; 3-25A-4(ii)

| | CAPITAL | SURPLUS | MUTUAL SURPLUS |
|--|----------------|----------------|-----------------------|
| Stock and Mutual | \$1,000,000 | \$1,000,000 | \$2,000,000 |
| Hospital Medical and Dental Corporations | | 2,000,000 | |

Prepaid Limited Health Service Organizations:

With respect to services not including inpatient: greater of \$250,000 or 10% of expenses for prior 12 months.

With respect to services including inpatient: greater of \$1,000,000 or 10% of expenses for prior 12 months.

Health Maintenance Organizations:

If a for-profit stock corporation, at least \$1 million of fully paid-in capital stock

If a nonprofit corporation, at least \$1 million of statutory surplus funds

Both for-profit and nonprofit health maintenance organization, additional surplus funds of at least \$1 million.

| | CAPTIVE INSURERS | UNIMPAIRED PAID-IN CAPITAL | UNIMPAIRED PAID-IN SURPLUS |
|----|-------------------------|-----------------------------------|-----------------------------------|
| 1. | Pure Captive | \$100,000 | \$150,000 |
| 2. | Association Captive | 350,000 | 350,000 |
| 3. | Industrial Captive | 250,000 | 250,000 |
| 4. | Risk Retention Captive | 500,000 | 500,000 |
| 5. | Sponsored Captive | 250,000 | 250,000 |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements.

Commissioner may require insurers to maintain additional capital and surplus based on type, volume and nature of insurance business transacted. Insurers also are subject to risk-based capital requirements.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES

WISCONSIN (11/22) Wis. Stat. § 609.96; 611.19; 618.41; 623.11; 623.12; Wis. Adm. Code Ins. §§ 51.01*; 51.80

| | | MINIMUM CAPITAL (STOCK INSURER) OR SURPLUS (MUTUAL INSURER) | INITIAL EXPENDABLE SURPLUS |
|----|---|--|-----------------------------------|
| 1. | All Stock and Non-assessable Mutual Insurers | \$2,000,000 | 50% of minimum |
| 2. | Assessable Mutual: Initial Minimum Assessment Unlimited Assessment Limited | 100,000 none reduced to reasonable amount | |
| 3. | Health Maintenance Organizations | 750,000 | 50% of minimum |
| 4. | Limited Services Health Organizations | 750,000 | 50% of minimum |
| 5. | Domestic Surplus Lines Insurer | 15,000,000 | |

* See state provisions for specific capital and surplus requirements relating to grandfather provisions and surplus lines requirements. Commissioner may reduce or increase the required amounts based on a list of contingencies. Insurers also are subject to risk-based capital requirements and Wisconsin’s compulsory surplus requirement and security surplus standard.

CAPITAL AND SURPLUS REQUIREMENTS FOR COMPANIES**WYOMING (11/22) §§ 26-3-108 to 26-3-110; 26-24-109; 26-27-106; 26-48-101**

| | | STOCK INSURERS CAPITAL | STOCK INSURERS SURPLUS | FOREIGN MUTUALS SURPLUS | FOREIGN RECIPROCAL SURPLUS | DOMESTIC MUTUALS (MINIMUM SURPLUS FUNDS/DEPOSIT OF SURPLUS IN LIEU | DOMESTIC RECIPROCAL SURPLUS |
|----|---|---------------------------------------|---------------------------------------|--|---|---|--|
| 1. | Life | \$1,000,000 | \$500,000 | \$1,500,000 | | \$50,000/150,000 | |
| 2. | Disability | 1,000,000 | 500,000 | 1,500,000 | \$1,500,000 | 50,000/150,000 | |
| 3. | Life and Disability | 1,000,000 | 1,000,000 | 2,000,000 | | | |
| 4. | Property | 1,000,000 | 1,000,000 | 2,000,000 | 2,000,000 | 50,000/200,000 | \$300,000 |
| 5. | Casualty Excluding Surety | 1,000,000 | 1,000,000 | 2,000,000 | 2,000,000 | 100,000/200,000 (also excluding worker's compensation) | 300,000 (excluding worker's compensation) |
| 6. | Casualty with Surety | 1,000,000 | 1,500,000 | 2,500,000 | 2,500,000 | 150,000/250,000 (only casualty and worker's compensation) | |
| 7. | Marine and Transportation | 1,000,000 | 1,000,000 | 2,000,000 | 2,000,000 | | |
| 8. | Multiple Line (property and any additional kind) | 2,000,000 | 2,000,000 | 4,000,000 | 4,000,000 | | 600,000 |
| 9. | Title | 500,000 | 250,000 | | | | |

The commissioner may require additional capital and surplus based on types, volume, and nature of insurance business transacted. Insurers also are subject to risk-based capital requirements.

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.

SURPLUS LINES INSURANCE PREMIUM TAXES

Changes resulting from Nonadmitted and Reinsurance Reform Act of 2010 (NRRA)

- Under the NRRA, which was incorporated into the The Dodd–Frank Wall Street Reform and Consumer Protection Act, only the home state of the insured may require the payment of nonadmitted or surplus lines insurance premium taxes as of July 21, 2011.
- The Nonadmitted Insurance Multi-state Agreement (NIMA) provides a mechanism to report, collect, allocate and distribute surplus lines tax revenues consistent with the NRRA. NIMA is intended to allow participating states to allocate surplus lines premium taxes for multi-state placements among participating states. Effective October 1, 2016, NIMA voluntarily dissolved.
- Another approach is the Surplus Lines Insurance Multi-State Compliance Compact (SLIMPACT), an interstate agreement that would provide for uniform requirements for the reporting, payment, collection and allocation of premium taxes for nonadmitted insurance consistent with the NRRA. SLIMPACT has not become operational, because it has not been joined by the required ten states or states representing 40% of the U.S. surplus lines market share.
- Neither of these entities is currently operational, and most states simply collect 100% of the premium **when the state is the home state of the insured.**

SURPLUS LINES INSURANCE PREMIUM TAXES

For information on independent or direct procurement, please refer to the Premium Tax Rate by Line chart in this publication

The date following each state indicates the last time information for the state was reviewed/changed.

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|--|---|---|----------------------|--|
| AL (12/22) | § 27-10-31 | <i>Single State Risks</i> 6% <i>Multi-state Risks</i> Member of SLIMPACT Tax and retain 100% of SL premium tax at 6% until compact is operational | Direct premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 27-10-35 |
| AK (12/22) | §§ 21.34.180; 21.09.210; 21.34.190; 21.33.063 Bulletin B 12-05 | <i>Single State Risks</i> 2.7% 1% filing fee <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 2.7% 1% filing fee | Gross premiums, less return premiums; 0.75% of underwriting profit for wet marine and transportation | Surplus lines broker | Direct/Independent Procurement § 21.33.061 |
| AZ (12/22) | §§ 20-416; 20-416.01 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 20-401.07 |
| AR (12/22) | § 23-65-315; Bulletin No. 5-2011 | <i>Single State Risks</i> 4% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4% | Direct premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 23-65-103 |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|---|--|---|---------------------------|---|
| CA (12/22) | Ins. § 1775.5; Rev. & Tax § 13210 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement Ins. § 1760; Rev. & Tax § 13210 |
| CO (12/22) | §§ 10-5-111 to 10-5-111.5; Bulletin No. B-2.10 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Net premiums | Surplus lines broker | Direct/Independent Procurement §§ 10-5-111 to 10-5-111.5 |
| CT (12/22) | § 38a-743 | <i>Single State Risks</i> 4% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4% | Gross premiums | Surplus lines licensee | Direct/Independent Procurement § 38a-277 |
| DE (12/22) | tit. 18 § 1925; tit. 18 § 702 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums; 5% of underwriting profit for wet marine and transportation | Surplus lines broker | Direct/Independent Procurement tit. 18 §§ 1925; 1926 |
| DC (12/22) | § 31-2502.40 | <i>Single State Risks</i> 2% <i>Multi-state Risks</i> No provision | Gross premiums | Agent or broker | |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|---|--|--------------------------------------|------------------------|--|
| FL (12/22) | §§ 626.932; 626.9325; 626.921(3)(f) | <i>Single State Risks</i> 4.94% 0.3% service fee <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4.94% | Gross premiums | Surplus lines agent | Direct/Independent Procurement § 626.938 |
| GA (12/22) | § 33-5-31; Bulletin 12-EX-1 | <i>Single State Risks</i> 4% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 33-5-33 |
| HI (12/22) | § 431:8-315; Memorandum 2011-4 (E) | <i>Single State Risks</i> 4.68% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at rate where risks or exposures are located | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 431:8-205 |
| ID (12/22) | §§ 41-1228; 41-1229; Bulletin 2011-8 | <i>Single State Risks</i> 1.5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 1.5% | Premiums | Surplus lines broker | Direct/Independent Procurement § 41-1233 |
| IL (12/22) | 215 ILCS 5/445; 425 ILCS 25/12; Bulletin 2011-9 | <i>Single State Risks</i> 3.5% + applicable 1% fire marshal tax <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3.5% | Gross premiums, less return premiums | Surplus lines producer | Direct/Independent Procurement 215 ILCS 5/121-2.08 |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|--|--|--|------------------------|---|
| IN (12/22) | § 27-1-15.8-4 | <i>Single State Risks</i> 2.5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 2.5% | Gross premiums | Surplus lines producer | |
| IA (12/22) | §§ 432.1; 507A.9 | <i>Single State Risks</i> 1% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 1% | Gross premiums, less returned premiums | Insurer liable | Direct/Independent Procurement § 515L.10 |
| KS (12/22) | § 40-246c | <i>Single State Risks</i> 6% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 6% | Gross premiums, less return premiums | Excess agent | |
| KY (12/22) | §§ 304.10-180; 304.14-030; Advisory Opinion 2011-4 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Premiums or other consideration for insurance, by whatever name called | Surplus lines broker | Direct/Independent Procurement § 304.11-050 |
| LA (12/22) | § 22:439 | <i>Single State Risks</i> 4.85% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4.85% | Gross premiums | Surplus lines broker | § 22:439 |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|--------------------------|--|---|--------------------------------|--|
| ME (12/22) | tit. 36 §§ 2531; 2532 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross direct premiums | Surplus lines producer | |
| MD (12/22) | Ins. §§ 3-324; 3-325 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement Ins. §§ 4-209; 4-211 |
| MA (12/22) | Ch. 175 § 168 | <i>Single State Risks</i> 4% (defined as a fee, not a tax) <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4% | Gross premiums, less return premiums | Special insurance broker | |
| MI (12/22) | § 500.1905 | <i>Single State Risks</i> 2% plus 0.5% regulatory fee <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 2.5% https://www.michigan.gov/difs/0,5269,7-303-22535_26617-76219--,00.html | Premiums | Surplus lines licensee | Direct/Independent Procurement § 500.1951 |
| MN (12/22) | § 2971.05 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines brokers | Direct/Independent Procurement § 2971.05 |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|---|---|--|------------------------|--|
| MS (12/22) | §§ 83-21-25; 83-21-18; 83-21-19; 83-34-4 | <i>Single State Risks</i> 4% 3% Nonadmitted policy fee <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4% | Gross premiums, less return premiums | Surplus lines producer | Direct/Independent Procurement § 83-21-17(5) |
| MO (12/22) | §§ 384.059; 384.051; 384.057; 384.061 | <i>Single State Risks</i> 5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 5% | Net premiums (gross amount of charges, less returned premiums) | Surplus lines broker | Direct/Independent Procurement § 384.051 |
| MT (12/22) | §§ 33-2-311; 33-2-705 | <i>Single State Risks</i> 2.75% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 2.75% | Net premiums | Surplus lines producer | |
| NE (12/22) | § 44-5506; | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines licensee | Commercial Purchaser § 44-5515 |
| NV (12/22) | §§ 680B.027; 680B.032; 685A.180; Bulletin 12-005 | <i>Single State Risks</i> 3.5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3.5% | Net direct premiums | Surplus lines broker | Direct/Independent Procurement § 680B.040 |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|---|--|--------------------------------------|------------------------|---|
| NH (12/22) | §§ 405:29; 405:29-a 405-B:4; Bulletin No. 11-011-AB | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% regardless of exposure. | Gross premiums, less return premiums | Surplus lines producer | Direct/Independent Procurement §§ 406-B:17; 405-B:6 |
| NJ (12/22) | § 17:22-6.59; | <i>Single State Risks</i> 5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 5% | Gross premiums, less return premiums | Surplus lines agent | Direct/Independent Procurement § 17:22-6.64 |
| NM (12/22) | § 7-40-3 | <i>Single State Risks</i> 3.003% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3.003% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 59A-15-4 |
| NY (12/22) | Ins. § 2118(d); Tax § 1552 | <i>Single State Risks</i> 3.6% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3.6% | Gross premiums | Excess line licensee | Direct/Independent Procurement Tax § 1551 |
| NC (12/22) | § 58-21-85 | <i>Single State Risks</i> 5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 5% | Gross premiums, less return premiums | Surplus lines licensee | Direct/Independent Procurement § 58-28-5 |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|---------------------------------|---|---|---------------------------|---|
| ND (12/22) | §§ 26.1-44-03.1; 26.1-44-06 | <i>Single State Risks</i> 1.75% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 1.75% | Gross premiums, less return premiums | Surplus lines producer | Direct/Independent Procurement § 26.1-44-10 |
| OH (12/22) | §§ 3905.30; 3905.36; 3905.38 | <i>Single State Risks</i> 5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 5% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 3905.36 |
| OK (12/22) | tit. 36 § 1115 | <i>Single State Risks</i> 6% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 6% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement tit. 36 § 1115 |
| OR (12/22) | § 735.470; | <i>Single State Risks</i> 2% plus 0.3% Fire Marshal tax <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 2.3% | Gross premiums | Surplus lines licensee | Direct/Independent Procurement § 735.417 |
| PA (12/22) | 40 P.S. § 991.1621 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines licensee | Direct/Independent Procurement 40 P.S. § 991.1622 |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|---|--|---|-------------------------|---|
| PR (12/22) | tit. 26 § 1013; Ruling No. D-144-2012 | <i>Single State Risks</i> 9% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 9% | Total premiums | Surplus lines broker | Direct/Independent Procurement tit. 26 § 1020 |
| RI (12/22) | § 27-3-38; Bulletin No. 2011-6 | <i>Single State Risks</i> 4% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 27-3-38.1 |
| SC (12/22) | §§ 38-45-10; 38-45-30; 38-45-20; Bulletin No. 2012-08 | <i>Single State Risks</i> 6% (comprised of 4% state tax and 2% municipal tax) <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 6% | Gross premiums, less return premiums | Surplus lines broker | |
| SD (12/22) | §§ 58-32-44; 58-32-45; 10-44-2; 10-44-9; Bulletin 16-05 | <i>Single State Risks</i> 2.5% (0.5% fire tax may apply) <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 2.5% (plus applicable fire tax) | Premiums | Surplus lines broker | Direct/Independent Procurement § 58-32-50 |
| TN (12/22) | § 56-14-113 | <i>Single State Risks</i> 5% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 5% | Gross premiums, less return premiums | Surplus lines agent | |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|---|---|--------------------------------------|-----------------------------------|---|
| TX (12/22) | Ins. §§ 225.004; 225.006 | <i>Single State Risks</i> 4.85% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4.85% | Gross premiums | Surplus lines agent | Direct/Independent Procurement Ins. § 226.053 |
| UT (12/22) | §§ 31A-3-301; 31A-3-303; | <i>Single State Risks</i> 4.25% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4.25% | Gross premiums, less return premiums | Surplus lines producer or insurer | Direct/Independent Procurement § 31A-15-104 |
| VT (12/22) | tit. 8 § 5035 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement tit. 8 § 5036 |
| VI (12/22) | tit. 22 §§ 660, 662 | <i>Single State Risks</i> 5% <i>Multi-state Risks</i> Tax and retain proportion of SL premium allocable to the risks or exposures located in VI | Gross premiums, less return premiums | Surplus lines broker | |
| VA (12/22) | §§ 38.2-4809; 58.1-2501; 38.2-400 | <i>Single State Risks</i> 2.25% plus up to 0.1% assessment for Bureau Special Fund <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 2.25% | Direct gross premiums | Surplus lines broker | |

SURPLUS LINES INSURANCE PREMIUM TAXES

| STATE | CITE | TAX RATE/ALLOCATION WHEN THIS STATE IS THE HOME STATE OF INSURED | AMOUNT OF PREMIUM BASE | REMITTED BY | NOTES |
|---------------|--|---|--------------------------------------|-------------------------------|--|
| WA (12/22) | §§ 48.15.120; 48.14.020 | <i>Single State Risks</i> 2% <i>Multi-state Risks</i> For P&C, tax and retain 100% of SL premium tax at 2%, except no tax on SL premium allocable to risks or exposures located outside the U.S. For all other lines, tax and retain proportion of SL premium allocable to the risks or exposures located in WA | Gross premiums, less return premiums | Surplus lines broker | |
| WV (12/22) | §§ 33-12C-7; 33-3-33; | <i>Single State Risks</i> 4% plus 0.55% surcharge <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 4.55% | Gross premiums, less return premiums | Surplus lines licensee | |
| WI (12/22) | § 618.43 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums | Surplus lines agent or broker | Direct/Independent Procurement § 618.42 |
| WY (12/22) | §§ 26-11-102; 26-11-118; Memorandum 01-2016 | <i>Single State Risks</i> 3% <i>Multi-state Risks</i> Tax and retain 100% of SL premium tax at 3% | Gross premiums, less return premiums | Surplus lines broker | Direct/Independent Procurement § 26-11-124 |

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.

PRODUCER LICENSING FEES

The date following each state indicates the last time information for the state was reviewed/changed.

ALABAMA (12/22)

§§ 27-4-2; 27-8A-9

| DESCRIPTION | FEES |
|---|------|
| Individuals: | |
| Application fee (for filing of initial application for license) | \$30 |
| License fee (for issuance of original license) | 50 |
| Business entities: | |
| Application fee (for filing of initial application for license) | 30 |
| License fee (for original license and each annual renewal) | 100 |
| Examination fee (for examination or reexamination, each classification of examination) an amount set by commissioner not to exceed | 100 |
| Education: | |
| Late filing fee, to be paid by each producer and service representative failing to timely renew a license | 50 |
| Surplus line broker's license (resident or nonresident brokers): | |
| Application fee (for filing of initial application for license) | 30 |
| License fee (original license and each annual renewal) | |
| Individuals | 200 |
| Business entities | 500 |
| Reinsurance intermediary license: | |
| Filing application for license | 30 |
| Issuance of initial license | 140 |
| Annual continuation of license | 100 |
| Managing general agent license: | |
| Filing application for license, each insurer | 30 |
| Issuance of initial license, each insurer | 125 |
| Annual continuation of license, each insurer | 75 |
| Service representative license: | |
| Application fee (for filing of initial application for license, each insurer) | 30 |
| Appointment fee, property and casualty, each insurer (for original appointment and each annual renewal) | 40 |
| Adjusters: | |
| Application fee (filing initial application; individuals and business entities) | 30 |
| License fee (original license and each biennial renewal) | |
| Individuals | 80 |
| Business entities | 200 |

PRODUCER LICENSING FEES

ALASKA (12/22)

3 Alaska Admin. Code 31.020 to 31.060

| DESCRIPTION | FEES | | | |
|---|------------|-------------|----------|-------------|
| | INDIVIDUAL | | FIRM | |
| | RESIDENT | NONRESIDENT | RESIDENT | NONRESIDENT |
| Producer licenses (biennial fee) | | | | |
| Insurance producer or managing general agent, any line(s) | \$75 | \$75 | \$75 | \$75 |
| Independent adjuster | 75 | 75 | 75 | 75 |
| Surplus lines broker | 300 | 300 | 300 | 300 |
| Reinsurance - intermediary manager | 75 | 75 | 75 | 75 |
| Reinsurance - intermediary broker | 75 | 75 | 75 | 75 |
| Viatical settlement broker | 100 | 100 | 100 | 100 |
| Viatical settlement representative | 100 | 100 | 100 | 100 |
| Viatical settlement provider | 300 | 300 | 300 | 300 |
| 1033 License application | 300 | 300 | N/A | N/A |
| Third party administrator | 300 | 300 | 300 | 300 |
| Independent portable electronics adjuster | 75 | 75 | 75 | 75 |
| Motor vehicle service contract provider | 300 | 300 | 300 | 300 |
| Motor vehicle service contract administrator | 75 | 75 | 75 | 75 |

| Trainee licenses | INDIVIDUAL | |
|------------------|-------------------------------|-------------|
| | RESIDENT | NONRESIDENT |
| | Trainee independent adjusters | \$75 |

| Limited licenses (biennial fee) | INDIVIDUAL | | FIRM | |
|---------------------------------------|------------|-------------|----------|-------------|
| | RESIDENT | NONRESIDENT | RESIDENT | NONRESIDENT |
| | Bail Bond | \$75 | \$75 | \$75 |
| Travel | 75 | 75 | 75 | 75 |
| Title | 75 | N/A | 75 | N/A |
| Motor vehicle rental agency | 75 | 75 | 75 | 75 |
| Credit | 75 | 75 | 75 | 75 |
| Crop | 75 | 75 | 75 | 75 |
| Portable electronics limited producer | 75 | 75 | 75 | 75 |

PRODUCER LICENSING FEES

ARIZONA (12/22)

§§ 20-167; 20-411; 20-289; 20-3202

| DESCRIPTION | FEES | | |
|-----------------------------------|---------------|---------------|-----------|
| | NOT LESS THAN | NOT MORE THAN | CURRENTLY |
| Licenses: | | | |
| Surplus lines broker's license | \$600 | \$1000 | |
| License term of 2 years or more | | | \$1000 |
| License term of less than 2 years | | | 500 |
| Life settlement broker's license | | | |
| License term of 2 years or more | | | 500 |
| License term of less than 2 years | | | 250 |
| All other licenses, quadrennially | 60 | 180 | 120 |
| Late renewal fee | FIXED | | 100 |

PRODUCER LICENSING FEES

ARKANSAS (12/22)

§ 23-61-401; Ins. Reg. 57

| DESCRIPTION | FEES |
|--|-------------|
| Administrative and regulatory fee (nonrefundable), biennially for all licenses | \$70 |
| Producers: | |
| Initial appointment of nonresident insurance agent by insurer | 60 |
| Initial appointment of nonresident agency, including one qualifying individual | 60 |
| Annual fee for insurer's continuing appointment of nonresident insurance agent | 60 |
| Annual fee for insurer's continuing appointment of nonresident agency, including one qualifying individual, by insurer | 60 |
| Initial appointment and annual continuation of resident agent, individuals only, for full line appointments (life, disability and multi-line) | 10 |
| Initial appointment and annual continuation of each resident agent, individuals only, for limited line appointments | 10 |
| Initial appointment and annual continuation of each resident agency, including one qualifying individual, for full line appointments (life, disability and multi-line) | 10 |
| Initial appointment and annual continuation of each resident agency, including one qualifying individual, for limited line appointments | 10 |
| Licensing: letters of clearance or letters of certification, per each license, per each letter | 5 |
| Surplus lines producer: | |
| Original license, individual | 1000 |
| Original license, firms and corporations plus one qualifying individual | 1000 |
| Each additional individual | 100 |
| Renewal fee | 25 plus 35 |
| Agencies: | |
| Filing and review of change of name or business address | 10 |
| Adding/deleting individual agents from agency licenses | 10 |
| Managing general agents/agencies: | |
| Filing application for initial licensure and annual renewal of license - Category A Fee | 500 |
| Reinsurance intermediaries: | |
| Filing initial application for license as reinsurance intermediary-manager | 500 |
| Filing initial application as reinsurance intermediary-broker | 300 |
| Annual renewal fee for reinsurance intermediary-manager | 100 |
| Annual renewal fee for reinsurance intermediary-broker | 75 |
| Designation of commissioner as agent for service of process for nonresident manager or broker | 75 |

ARKANSAS (cont.)

PRODUCER LICENSING FEES

ARKANSAS (cont.)

§ 23-61-401; Ins. Reg. 57 (cont.)

| DESCRIPTION | FEES |
|---|------------|
| Notary bond surety corporations: Initial and/or annual renewal of registration as notary bond surety corporation - Category B Fee | \$50 |
| Pre-licensing and continuing education: Each original registration and/or annual renewal of a course provider for agent pre-licensing education - Category A Fee Each original registration and/or annual renewal of a course provider for agent continuing education - Category A Fee | 100 100 |

PRODUCER LICENSING FEES

CALIFORNIA (12/22)

Bulletin 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; Ins. § 1765; Department website

| DESCRIPTION | FEES |
|---|-------------------------------------|
| Production agency licenses: | |
| Property and casualty broker agent license and renewal, per year | \$94 |
| Personal lines broker agent, per year | 94 |
| Life agent license, resident renewal, per year | 94 |
| Life agent license, nonresident renewal, per year | 94 |
| Accident and health agent license, resident renewal, per year | 94 |
| Accident and health agent license, nonresident renewal, per year | 94 |
| Life and disability insurance analyst issuance or renewal, per year | 311 |
| Part-time fraternal agent | 94 |
| Administrator, per year | 94 |
| Cargo shipper's agent, per year | 32 |
| Motor club agent | 94 |
| Rental car agent | 509 |
| Portable electronics insurance agent | 321 |
| Credit insurance agent | 449 |
| Reinsurance intermediary broker (perpetual license) | 411 |
| First amendment to application | 15 |
| Subsequent amendments | 32 |
| Notice of appointment | 32 |
| Notice of termination of appointment | 32 |
| Amended notice of appointment or termination | 12 |
| Ratification of agency appointments by surviving insurer | 204 |
| License renewal delinquent fee | One year fee for respective license |

CALIFORNIA (cont.)

PRODUCER LICENSING FEES

CALIFORNIA (cont.)

Bulletin 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; Ins. § 1765; Department website (cont.)

| DESCRIPTION | FEES |
|--|------|
| Insurance adjuster licenses: | |
| Original license application | \$79 |
| Original branch office certificate | 52 |
| Original license and renewal of license | 311 |
| Branch office certificate renewal | 62 |
| Delinquency, 50% of renewal, not to exceed | 79 |
| Re-examination of applicant or his manager | 32 |
| Additional fictitious business name or change | 28 |
| License reissued in a fictitious business name | 32 |
| Crop insurance adjuster | 311 |
| Replace ID Card | 28 |
| Public adjuster license: | |
| Original license application | 68 |
| Original branch office certificate | 39 |
| Original license and renewal of license | 264 |
| Branch office certificate renewal | 55 |
| Delinquency, 50% of renewal | 132 |
| Re-examination of applicant | 28 |
| Additional fictitious business name or change | 28 |
| Apprentice license | 264 |
| Replace ID Card | 28 |

CALIFORNIA (cont.)

PRODUCER LICENSING FEES

CALIFORNIA (cont.)

Bulletin 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; Ins. § 1765; Department website

| DESCRIPTION | FEES |
|---|-----------------|
| Bail fees: | |
| Bail agent original filing | \$311 |
| Bail solicitor original filing | 311 |
| Bail permittee original filing | 624 |
| Bail agent renewal filing | 94 |
| Bail solicitor renewal filing | 94 |
| Bail permittee renewal | 394 |
| Late renewal penalty fee | twice fee above |
| Approval of fictitious or other name | 32 |
| Replacement bond fee | 28 |
| First amendment to application | 15 |
| Subsequent amendments | 32 |
| ID Card, first replacement | 15 |
| ID Card, second and subsequent replacements | 32 |

CALIFORNIA (cont.)

PRODUCER LICENSING FEES

CALIFORNIA (cont.)

Bulletin 2003-4; 2009-3; 2010-2; 2013-2; 2013-3; 2014-6; Ins. § 1765 (cont.)

| DESCRIPTION | FEES |
|--|-------------|
| Other licenses and services: | |
| Filing producers license bond | \$32 |
| Clearance letters | 32 |
| Certificate of convenience | 39 |
| Surplus lines: | |
| Surplus line broker licensee who only transacts on behalf of a surplus line broker business entity, license and renewal, per year | 323 |
| Surplus line broker licensee who does not solely transact on behalf of a surplus broker business entity, license and renewal, per year | 648 |
| Filing fee for endorsing or terminating any natural person by the organization, one-time fee | 32 |
| License examination: | |
| Property and casualty, life agent, first examination and reexamination | 55 |
| Bail bondsman, first examination and reexamination | 62 |
| Life and disability insurance analyst, first examination and reexamination | 155 |
| Miscellaneous applications for exams | 79 |
| Brokers/agents certificate: | |
| Broker (headquarters) | 311 |
| Broker (each additional locations) | 150 |
| Agents, Stock Agent | 150 |
| Certificate of license status | 24 |
| Life settlement broker application and renewal | 188 |

PRODUCER LICENSING FEES

COLORADO (12/22)

3 Colo. Code Regs. 702-1:1-2-10 § 12

| DESCRIPTION | FEES |
|--|--|
| Individual or Agency Producer: New license/add an authority: Resident license Nonresident license License renewal: Resident Nonresident | \$47 per authority 71 per authority 27 per authority 43 per authority |
| Surplus lines producer new license/add an authority/renewal: Resident Nonresident | 134 284 |
| Bail industry appointments & appointment renewals | 95 |
| Reinsurance intermediary new license/renewal | 200 |
| Continuing Education course registration/renewal | 20 |
| Only licensing examination at Test Center | 41 |

PRODUCER LICENSING FEES

CONNECTICUT (12/22)

§§ 38a-11; 38a-702f

| DESCRIPTION | FEES |
|---|--|
| Application fees: All licensing applications (except viatical settlement brokers and viatical settlement investment agents) must be accompanied by a filing fee of | \$50 |
| License fees: Producer (individual), initial fee Producer (business entity), initial fee Producer – Model Travel only (individual and business), initial fee Producer (all), reinstatement and amendment fee Producer (all), biennial renewal fee Producer – Model Travel only (individual and business) biennial renewal fee Producer (all), late renewal fee payable within one year of license renewal date Producer – Model Travel only (individual and business), late renewal fee payable within one year of license renewal date Car rental agency (permit), initial and reinstatement fee Car rental agency (permit), biennial renewal fee Casualty adjuster (all), initial and reinstatement fee Casualty adjuster (all), biennial renewal fee Certified insurance consultant (all), initial, reinstatement and amendment fee Certified insurance consultant (all), biennial renewal fee Fraternal agent (all), initial, reinstatement and amendment fee Fraternal agent (all), biennial renewal fee Motor vehicle physical damage appraiser (all), initial and reinstatement fee Motor vehicle physical damage appraiser (all), biennial renewal fee Portable electronics initial application Portable electronics for each license renewed Public adjuster (all), initial and reinstatement fee Public adjuster (all), biennial renewal fee Reinsurance intermediary broker and manager (all), initial and reinstatement fee Reinsurance intermediary broker and manager (all), biennial renewal fee Surety bail bond agent (all), initial and reinstatement fee Surety bail bond agent (all), biennial renewal fee Surplus lines broker (all), initial and reinstatement fee Surplus lines broker (all), biennial renewal fee Life settlement broker (all), initial and reinstatement fee Life settlement broker (all), annual renewal fee Life settlement registration (for producers with life authority) | 140 130 750 130 160 650 320 1300 80 80 130 80 300 250 130 80 130 80 600 450 300 250 675 625 250 100 675 625 66 40 26 |

CONNECTICUT (cont.)

PRODUCER LICENSING FEES

CONNECTICUT (cont.)

§§ 38a-11; 38a-702f (cont.)

| DESCRIPTION | FEES |
|---|-------------|
| License fees (cont): | |
| Third party administrator (all), initial and reinstatement fee | \$500 |
| Third party administrator (all), annual renewal fee (includes annual report fee) | 450 |
| Third party administrator (all), registration fee | 0 |
| Examination fees: | |
| Producer's exams/fee per line of authority not including testing service fee, if any | 15 |
| Casualty adjusters exam, not including testing service fee, if any | 20 |
| Motor vehicle physical damage appraisers not including testing service fee, if any | 80 |
| Certified insurance consultants not including testing service fee, if any | 26 |
| Surplus lines brokers not including testing service fee, if any | 20 |
| Public adjuster not including testing service fee, if any | 15 |
| Miscellaneous: | |
| Certificate of license status (letter of certification) | 26 |
| Duplicate license – verify and print a license at http://www.cidverifylicense.ct.gov/CLIC/VerifyLicense.aspx . | no fee |

Effective Jan. 1, 2018, licensees will have until the last day of their birth month to renew their license. Business entity licensees will continue to have an expiration date of Jan. 31 of every even-numbered year. (§ 38a-784)

PRODUCER LICENSING FEES

DELAWARE (12/22)

18 Del.C. § 701

| DESCRIPTION | FEES |
|--|---------------------|
| Producers: Initial license for producers or limited lines producer Resident license renewal, biennially Nonresident license renewal, biennially | \$100 100 100 |
| Reinsurance intermediary: Initial license Annual continuation | 250 100 |
| Surplus lines broker: Initial license, resident and nonresident Resident license renewal, biennially Nonresident license renewal, biennially | 250 200 200 |
| Fraternal representative: Initial license, resident and nonresident Resident license renewal, biennially Nonresident license renewal, biennially | 100 100 100 |
| Adjuster: Initial license, resident and nonresident Resident license renewal, biennially Nonresident license renewal, biennially | 100 100 100 |
| Motor vehicle appraiser: Initial license, resident and nonresident Resident license renewal, biennially Nonresident license renewal, biennially | 100 100 100 |
| Apprentice: License (valid for one year) Amendments to license | 50 25 |

PRODUCER LICENSING FEES

DISTRICT OF COLUMBIA (12/22)

26-A DCMR §§ 105; 3515

| DESCRIPTION | FEES |
|---|-------|
| Producer license: Renewed biennially | \$100 |
| Surplus lines authority: Renewed biennially | 200 |

FLORIDA (12/22)

§§ 624.501; 626.322; 626.9916; 648.355

| DESCRIPTION | FEES |
|--|------|
| Producer licensing: | |
| All insurance representatives, (producers) application for license, each filing, filing fee | \$50 |
| Limited agent appointment | 60 |
| Property, marine, casualty, and surety insurance agents, each insurer or unaffiliated agent | 60 |
| Nonresident P/C agent's original appointment and biennial renewal or continuation appointment fee, each insurer or unaffiliated agent | 60 |
| Life insurance agents appointment fee for original appointment and biennial renewal or continuation, each insurer or unaffiliated agent | 60 |
| Nonresident life agent's appointment fee for original appointment and biennial renewal or continuation, each insurer or unaffiliated agent | 60 |
| Health insurance agents appointment fee for original appointment and biennial renewal or continuation, each insurer or unaffiliated agent | 60 |
| Nonresident health agents original appointment and biennial renewal or continuation, appointment fee, each insurer or unaffiliated agent | 60 |
| Customer representative's original appointment and biennial renewal | 60 |
| Service representative's original appointment and biennial renewal or continuation | 60 |
| Managing general agent's original appointment and biennial renewal or continuation | 60 |
| Sales representatives, miscellaneous lines | 60 |
| Certain military installations, original appointment and biennial renewal or continuation thereof, each insurer | 20 |
| Viatical settlement broker – must be a licensed life agent | 60 |
| Fraternal benefit society agent's original appointment and biennial renewal or continuation, each insurer | 60 |
| Surplus lines agent's appointment and biennial renewal or continuation, appointment fee | 150 |

FLORIDA (cont.)

PRODUCER LICENSING FEES

FLORIDA (cont.)

§§ 624.501; 626.322; 626.9916; 648.355 (cont.)

| DESCRIPTION | FEES |
|---|-------------|
| Late filing fee for agents, adjusters, and other insurance representatives, each appointment | \$20 |
| Adjuster's original appointment and biennial renewal or continuation, appointment fee | 60 |
| Nonresident adjuster's original appointment and biennial renewal or continuation, appointment fee | 60 |
| Emergency adjuster's license, appointment fee | 10 |
| Examination | cost |
| Temporary license and appointment as agent or adjuster, where expressly provided for, rate of fee for each month of the period for which the license and appointment is issued | 5 |
| Issuance, reissuance, reinstatement, modification resulting in a modified license being issued, duplicate copy of any insurance representative license, or an appointment being reinstated | 5 |
| Additional license continuation fees | 5 |
| Limited surety agent, professional bail bondsman , original appointment and biennial renewal or continuation | 80 |
| Bail bond agent , temporary license and appointment fee for each month of the period for which the license and appointment is issued | 5 |
| Fingerprinting processing fee | cost |
| Reinsurance intermediary: | |
| Application filing and license fee | 50 |
| Original appointment and biennial continuation | 60 |
| Title insurance agents or agency: | |
| Original appointment or biennial renewal or continuation | 60 |
| Filing for title insurance agent's license: | |
| Application for filing, each filing, filing fee | 10 |
| Additional appointment continuation fee | 5 |
| Title insurer and title insurance agent administrative surcharge: | |
| On or before January 30 of each calendar year, each title insurer shall pay to the department for each licensed title insurance agent licensed by the title insurer and for each retail office of the insurer on January 1 of that calendar year an administrative surcharge, and each agency shall pay | 200 |

PRODUCER LICENSING FEES

GEORGIA (12/22)

§ 33-8-1

| DESCRIPTION | FEES |
|---|------|
| License fees: | |
| Application fee for agent’s, subagent’s, adjuster’s, or counselor’s license | \$15 |
| Agent, subagent, counselor, or adjuster or principal office of an insurance agency (new license) | 100 |
| Agent, subagent, counselor, or adjuster or principal office of an insurance agency (biennial license renewal) | 100 |
| Each branch office of an insurance agency other than principal office (new license) | 20 |
| Each branch office of an insurance agency other than principal office (biennial license renewal) | 20 |
| Agent certificate of authority for subagent | 5 |
| Managing general agent: | |
| Original license or certificate | 600 |
| Renewal license or certificate | 500 |
| Reinsurance intermediary | 50 |
| Surplus lines broker | 600 |
| Utilization review agent | 200 |
| Agent certificate of authority | 10 |
| Examination fees: | |
| Examination fee for agent’s, subagent’s, counselor’s, or adjuster’s license | 25 |
| Status letter: | |
| For agent, subagent, counselor or adjuster | 10 |

PRODUCER LICENSING FEES

HAWAII (12/22)

§§ 431:7-101; 431:31-107

| DESCRIPTION | FEES |
|--|-------------|
| Resident producer's license: | |
| Issuance, regular license | \$50 |
| Issuance, temporary license | 50 |
| Nonresident producer license | 75 |
| Independent adjuster's license issuance | 75 |
| Public adjuster's license issuance | 75 |
| Claims adjuster limited license issuance | 75 |
| Administrator's license issuance | 150 |
| Independent bill reviewer's license issuance | 80 |
| Life settlement contract provider license issuance | 75 |
| Life settlement contract broker license issuance | 75 |
| Limited license producer's license issuance | 60 |
| Managing general agent's license issuance | 75 |
| Reinsurance intermediaries license issuance | 75 |
| Surplus lines broker's license issuance | 150 |
| Limited line motor vehicle rental company producer's license issuance | 1000 |
| Limited lines portable electronics producer license issuance | 5000 |

HAWAII (cont.)

PRODUCER LICENSING FEES

HAWAII (cont.)

§§ 431:7-101; 431:31-107 (cont.)

| DESCRIPTION | FEES |
|--|------|
| Additional services: | |
| *All services (including extension of the license) for a regularly licensed producer, per year | \$50 |
| *All services (including extension of the license) for a regularly licensed nonresident producer, per year | 75 |
| *All services (including extension of the license) for a regularly licensed independent adjuster, per year | 45 |
| *All services (including extension of the license) for a regularly licensed public adjuster, per year | 45 |
| *All services (including extension of the license) for a claims adjuster limited license, per year | 45 |
| *All services (including extension of the license) for an administrator's license, per year | 150 |
| *All services (including extension of the license) for a limited license, per year | 45 |
| *All services (including extension of the license) for a managing general agent, per year | 75 |
| *All services (including extension of the license) for a reinsurance intermediary, per year | 75 |
| *All services (including extension of the license) for a regularly licensed independent bill reviewer | 60 |
| *All services (including extension of the license) for a licensed surplus lines broker | 45 |
| *All services (including extension of the license) for a life settlement provider, per year | 1200 |
| *All services (including extension of the license) for a life settlement broker, per year | 150 |
| *All services (including extension of the license) for a regularly licensed limited line motor vehicle rental company producer | 600 |
| *All services (including extension of the license) for a regularly licensed limited lines portable electronics producer | 2500 |

*The services referred to shall not include services in connection with examinations, investigations, hearings, appeals and deposits with a depository other than the department of commerce and consumer affairs.

PRODUCER LICENSING FEES

IDAHO (12/22)

IDAPA 18.01.02.030; § 41-2710

| DESCRIPTION | FEES |
|--|------------------|
| Filing application for original license, including license if issued: | |
| Administrators (original application) | \$300 |
| Producers, per license | 80 |
| Designation as a managing general agent | 80 |
| Surplus lines brokers | 80 |
| Adjusters and public adjusters | 80 |
| Reinsurance intermediary | 80 |
| Life settlement providers | 500 |
| Life settlement brokers | 300 |
| Independent review organization | 500 |
| License renewal: | |
| Adjusters, public adjusters, and producers (biennial) | 80 |
| If renewed electronically | 60 |
| Administrators (biennial) | 80 |
| Surplus lines brokers (biennial) | 80 |
| If renewed electronically | 60 |
| Life settlement providers (biennial) | 300 |
| Life settlement brokers (biennial) | 80 |
| Independent review organization (biennial) | 300 |
| Redesignation as managing general agent (annual) | 80 |
| Examination fees: Producers, public adjusters, and adjusters— application for examination and each time exam taken, other than for variable contracts | set fee |
| Title agent: | |
| License application | 50 |
| License renewal | 50 |
| Vendor of portable electronics insurance, a type of limited lines producer: | |
| A vendor of portable electronic insurance who is engaged in portable electronics transactions at more than 10 locations in the state of Idaho | 1000 |
| Renewal | 500 |
| A vendor of portable electronic insurance who is engaged in portable electronics transactions at 10 or fewer locations in the state of Idaho | 100 |
| Renewal | 100 |
| Processing fingerprints, where required | not to exceed 80 |

PRODUCER LICENSING FEES

ILLINOIS (12/22)

215 ILCS 5/408; 5/500-135; 5/445; 5/500-35; 5/511.105

| DESCRIPTION | FEES |
|--|-------------|
| Producer license: | |
| Resident insurance producer license, biennially renewed | \$215 |
| Nonresident insurance producer, biennially renewed | 380 |
| Resident temporary insurance producer license | 50 |
| Registration for a business entity, biennially renewed | 150 |
| Limited insurance representative licensee, annually renewed | 50 |
| Resident limited insurance representative car rental license, biennially renewed | 215 |
| Nonresident limited insurance representative car rental license, biennially renewed | 380 |
| Limited lines not on specified list, biennially renewed | 200 |
| Self-service storage facility limited line license, biennially renewed | 50 |
| Reinsurance intermediary: | |
| Filing an application for licensing of a reinsurance intermediary | 500 |
| Renewal of reinsurance intermediary license | 200 |
| Surplus lines: | |
| Annual license fee | 400 |
| Third party administrator: | |
| Annual license fee | 200 |
| Examinations: | |
| Processing of each request to take the written examination for an insurance producer license | 50 |
| Registration for an education provider to register | 1000 |
| Each certified pre-licensing or continuing education course | 50 |
| Renewing the certification of each such course | 20 |

PRODUCER LICENSING FEES

INDIANA (12/22)

§§ 27-1-15.6-5; 27-1-15.6-32; 27-1-15.6-23; 27-10-3-4; 27-10-3-5; 27-10-3-7; 27-1-27-4; Department website

| DESCRIPTION | FEES |
|--|------|
| Licenses: | |
| For each license issued to a resident insurance producer or to a limited insurance representative every two years | \$40 |
| For each license issued to a nonresident insurance producer or to a limited insurance representative every two years | 90 |
| Designated home state license | 90 |
| For a license issued to an insurance consultant every two years | 40 |
| For a license issued to a resident surplus lines insurance agent biennially | 80 |
| For a license issued to a nonresident surplus lines agent biennially | 120 |
| For a certificate of authority issued to a public adjuster annually | 50 |
| For an initial license issued to a bail bond agent | 650 |
| For renewal license issued to a bail bond agent | 300 |
| For an initial/renewal license issued to a recovery agent | 300 |
| Examination fees: | |
| Insurance producers, surplus lines insurance agents and insurance consultants examinations | 69 |
| Public adjusters examination | 50 |
| Bail and recovery agent's examination | 20 |

INDIANA (cont.)

PRODUCER LICENSING FEES**INDIANA (cont.)**

§ 27-1-20-12(a)

Non-Resident Retaliatory Fees:

Effective May 12, 2017, various retaliatory fees for non-resident license applications and renewals were added or updated since a prior update on Aug. 10, 2016. The states where retaliatory fees were added include: District of Columbia, Georgia, Hawaii, Mississippi, Missouri, Nevada, New Hampshire, Oklahoma, Pennsylvania, Rhode Island, and Wyoming. States that have had one or more retaliatory fee updated include: California, Connecticut, Massachusetts, and New Jersey. All retaliatory fees for Illinois have remained the same. A list of retaliatory fees may be viewed at www.in.gov/idoi/2600.htm.

| Description | FEES |
|--|-------|
| ALABAMA: | |
| For new/initial license applications for Alabama residents, the following fees apply: | |
| Independent adjuster—individual | \$110 |
| Independent adjuster—organization | 230 |
| Portable electronics—individual or organization | 100 |
| Producer—organization | 130 |
| Self-storage insurance—organization | 130 |
| Surplus lines—individual | 230 |
| Surplus lines—organization | 530 |
| Travel insurance—organization | 130 |
| For license renewals for Alabama residents, the following fees apply: | |
| Independent adjuster—organization | 200 |
| Portable electronics—individual or organization | 100 |
| Producer—organization | 100 |
| Self-storage insurance—organization | 100 |
| Surplus lines—individual | 200 |
| Surplus lines—organization | 500 |
| Travel insurance—organization | 100 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—organization | 400 |
| Portable electronics—individual or organization | 400 |
| Producer—organization | 400 |
| Self-storage insurance—organization | 400 |
| Travel insurance—organization | 400 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| ARKANSAS: | |
| For new license applications and renewals for Arkansas residents, the following fees apply: | |
| Consultant—individual or organization | \$120 |
| Independent adjuster—individual or organization | 120 |
| Portable electronics—organization | 1,000 |
| Surplus lines—individual or organization (new application only) | 1,035 |
| Renewal | 120 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Consultant—individual or organization | 480 |
| Independent adjuster—individual or organization | 240 |
| Portable electronics—organization | 4,000 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|--------|
| CALIFORNIA: | |
| For new license applications and renewals for California residents, the following fees apply: | |
| Independent adjuster—individual or organization | \$311 |
| Producer—individual or organization, per line of authority (LOA) | 188 |
| Credit LOA, new application | 449 |
| Credit LOA, renewal | 410 |
| Portable electronics—individual or organization | 321 |
| Public adjuster—individual or organization | 264 |
| Self-storage insurance—organization | 323 |
| Surplus lines—individual or organization, new application | 1,178 |
| Renewal | 1,296 |
| Travel insurance—organization | 4,540 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—individual or organization | 622 |
| Producer—individual or organization, per LOA | 752 |
| Credit LOA | 1,640 |
| Portable electronics—individual or organization | 1,284 |
| Self-storage insurance—organization | 1,292 |
| Travel insurance—organization | 18,160 |

| Description | FEES |
|---|------|
| COLORADO: | |
| For new/initial license applications for Colorado residents, the following fees apply: | |
| Public adjuster—individual or organization | \$71 |
| Surplus lines—individual or organization | 294 |
| For license renewals for Colorado residents, the following fees apply: | |
| Public adjuster—individual or organization | 50 |
| Surplus lines—individual or organization | 284 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| CONNECTICUT: | |
| For new/initial license applications for Connecticut residents, the following fees apply: | |
| Consultant—individual or organization | \$300 |
| Independent adjuster—individual or organization | 130 |
| Portable electronics—individual | 140 |
| Portable electronics – organization | 600 |
| Producer—individual | 140 |
| Producer—organization | 130 |
| Public adjuster—individual or organization | 300 |
| Surplus lines—individual or organization | 675 |
| Travel insurance—individual or organization | 130 |
| For license renewals for Connecticut residents, the following fees apply: | |
| Consultant—individual | 250 |
| Consultant—organization | 300 |
| Independent adjuster—individual | 130 |
| Independent adjuster—organization | 90 |
| Portable electronics—individual | 160 |
| Portable electronics – organization | 450 |
| Producer—individual or organization | 160 |
| Public adjuster—individual | 300 |
| Public adjuster—organization | 250 |
| Surplus lines—individual or organization | 625 |
| Travel insurance—individual or organization | 160 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|---------|
| CONNECTICUT (cont.) | |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Consultant—individual | \$1,000 |
| Consultant—organization | 1,200 |
| Independent adjuster—individual | 260 |
| Independent adjuster—organization | 180 |
| Portable electronics—individual | 640 |
| Portable electronics – organization | 1800 |
| Producer—individual or organization | 640 |
| Travel insurance—individual or organization | 640 |

| Description | FEES |
|--|-------|
| DELAWARE: | |
| For new license applications and renewals for Delaware residents, the following fees apply: | |
| Independent adjuster—individual or organization | \$100 |
| Portable electronics—organization, new application | 1,000 |
| Portable electronics—organization, renewal | 500 |
| Producer—individual or organization, per major-lines and limited-lines grouping levels | 100 |
| Public adjuster—individual or organization | 100 |
| Surplus lines—individual or organization, new application | 250 |
| Surplus lines—individual or organization, renewal | 200 |
| Travel insurance—individual or organization | 100 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—individual or organization | 200 |
| Portable electronics—organization | 2,000 |
| Producer—individual or organization, per major-lines and limited-lines grouping levels | 400 |
| Travel insurance—individual or organization | 400 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| DISTRICT OF COLUMBIA: | |
| For new license applications and renewals for DC residents, the following fees apply: | |
| Portable electronics—individual or organization | \$100 |
| Producer—individual or organization | 100 |
| **Fee charged per life/health, property/casualty and limited-line grouping levels | |
| Public adjuster—individual or organization | 100 |
| Surplus lines—individual or organization | 200 |
| Travel insurance—individual or organization | 100 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—individual or organization | 400 |
| Producer—individual or organization | 400 |
| **Fee charged per life/health, property/casualty and limited-line grouping levels | |
| Travel insurance—individual or organization | 400 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|---|-------|
| GEORGIA: | |
| For new license applications and renewals for Georgia residents, the following fees apply: | |
| Independent adjuster—individual, per line of authority (LOA) | \$100 |
| Portable electronics—organization | 120 |
| Producer—individual, per LOA plus \$20 license fee for new applications | 100 |
| Renewal, at license level, plus \$100 if variable life & annuity LOA added | 105 |
| Producer—organization | 120 |
| Public adjuster—individual | 100 |
| Self-storage insurance—organization | 120 |
| Surplus lines—individual or organization | 620 |
| Renewal | 600 |
| Travel insurance—individual or organization | 120 |
| Individual renewal | 105 |
| For licenses reinstate 31-365 days after license expiration, the following fees apply: | |
| Independent adjuster – individual, per LOA | 200 |
| Portable electronics – organization | 480 |
| Producer – individual | 420 |
| Plus \$400 id variable life & annuity LOA included with another LOA | |
| Producer - organization | 480 |
| Self-storage insurance – organization | 480 |
| Travel Insurance – individual | 420 |
| Travel Insurance – organization | 480 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| HAWAII: | |
| For new license applications for Hawaii residents, the following fees apply: | |
| Producer—individual or organization, per line of authority (LOA) | \$225 |
| Surplus lines—individual or organization | 240 |
| Travel insurance—individual or organization | 225 |
| For license renewals for Hawaii residents, the following fees apply: | |
| Producer—individual or organization, per LOA | 150 |
| Surplus lines—individual or organization | 120 |
| Travel insurance—individual or organization | 150 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Producer—individual or organization, per LOA | 600 |
| Travel insurance—individual or organization | 600 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| ILLINOIS: | |
| For new license applications and renewals for Illinois residents, the following fees apply: | |
| Portable electronics—individual | \$380 |
| Portable electronics—organization | 150 |
| Producer—individual | 380 |
| Producer—organization | 150 |
| Public adjuster—individual or organization | 250 |
| Surplus lines—individual or organization | 400 |
| Travel insurance—individual or organization | 500 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—individual | 1,520 |
| Portable electronics—organization | 600 |
| Producer—individual | 1,520 |
| Producer—organization | 600 |
| Travel insurance—individual or organization | 2,000 |

| Description | FEES |
|---|-------|
| KENTUCKY: | |
| For new/initial license applications for Kentucky residents, the following fees apply: | |
| Portable electronics—organization | \$100 |
| Producer—individual, per line of authority (LOA) plus \$50 license fee | 50 |
| Producer—organization, per LOA plus \$120 license fee | 120 |
| Self-storage insurance—organization | 120 |
| Travel insurance—individual | 100 |
| Travel insurance—organization | 240 |
| <i>Note: Retaliatory fees do not apply to Kentucky renewals and reinstatements.</i> | |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| LOUISIANA: | |
| For new/initial license applications for Louisiana residents, the following fees apply: | |
| Portable electronics—organization | \$200 |
| Public adjuster—individual or organization | 55 |
| Surplus lines—individual or organization | 250 |
| For license renewals for Louisiana residents, the following fees apply: | |
| Independent adjuster—organization | 100 |
| Portable electronics—organization | 100 |
| Public adjuster—individual | 50 |
| Public adjuster—organization | 350 |
| Surplus lines—individual or organization | 350 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—organization | 200 |
| Portable electronics—organization | 400 |

| Description | FEES |
|--|---------|
| MAINE: | |
| For new/initial license applications for Maine residents, the following fees apply: | |
| Portable electronics—organization | \$1,000 |
| Surplus lines—individual | 165 |
| For license renewals for Maine residents, the following fees apply: | |
| Portable electronics—organization | 500 |
| Surplus lines—individual | 120 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—organization | 2,000 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| MARYLAND: For new license applications and renewals for Maryland residents, the following fees apply: Surplus lines—individual or organization | \$200 |

| DESCRIPTION | FEES |
|---|--|
| MASSACHUSETTS: For new license applications and renewals for Massachusetts residents, the following fees apply: Portable electronics—individual Portable electronics—organization Renewal Producer—individual or organization Property/casualty/personal lines surcharge fee Public adjuster—individual or organization Surplus lines—individual or organization Travel insurance—individual For licenses reinstated 31–365 days after license expiration, the following fees apply: Portable electronics—individual Portable electronics—organization Producer—individual or organization Property/casualty/personal lines surcharge fee Travel insurance—individual | \$150 1,000 500 225 75 200 150 225 600 2,000 900 300 900 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| DESCRIPTION | FEES |
|---|------|
| MINNESOTA: | |
| For new license applications and renewals for Minnesota residents, the following fees apply: | |
| Independent adjuster—individual, per line of authority (LOA) plus \$75 license fee | \$50 |
| Portable electronics—organization | 125 |
| Producer—individual, per LOA plus \$75 license fee | 50 |
| Producer—organization | 200 |
| Surplus lines—individual | 500 |
| Travel insurance—individual | 125 |
| Travel insurance—organization | 225 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—individual, per line of authority (LOA) plus \$150 license fee | 100 |
| Portable electronics—organization | 500 |
| Producer—individual, per LOA plus \$300 license fee | 200 |
| Producer—organization | 900 |
| Travel insurance—individual | 500 |
| Travel insurance—organization | 900 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|---|--------|
| MISSISSIPPI: | |
| For new license applications and renewals for Mississippi residents, the following fees apply: | |
| Independent adjuster—individual | \$100 |
| Independent adjuster—organization | 400 |
| Portable electronics—organization | 5,000 |
| Producer—individual, per major-lines, limited-lines and credit grouping levels | 100 |
| Producer—organization, per major-lines, limited-lines and credit grouping levels | 200 |
| Public adjuster—individual | 100 |
| Public adjuster—organization | 400 |
| Self-storage insurance—organization | 200 |
| Surplus lines—organization | 200 |
| Travel insurance—individual | 100 |
| Travel insurance—organization | 200 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—individual | 200 |
| Independent adjuster—organization | 800 |
| Portable electronics—organization | 20,000 |
| Producer—individual, per major-lines, limited-lines and credit grouping levels | 400 |
| Producer—organization, per major-lines, limited-lines and credit grouping levels | 800 |
| Self-storage insurance—organization | 800 |
| Travel insurance—individual | 400 |
| Travel insurance—organization | 800 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12 (cont.)

| DESCRIPTION | FEES |
|--|-------|
| MISSOURI: | |
| For new license applications and renewals for Missouri residents, the following fees apply: | |
| Portable electronics—organization | \$100 |
| Producer—individual or organization, per line of authority (LOA) | 100 |
| Funeral director LOA | 90 |
| Public adjuster—individual or organization | 100 |
| Renewal | 50 |
| Travel insurance—individual or organization | 100 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—organization | 400 |
| Producer—individual or organization, per LOA | 400 |
| Funeral director LOA | 360 |
| Travel insurance—individual or organization | 400 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12 (cont.)

| Description | FEES |
|--|------|
| MONTANA: | |
| For new license applications for Montana residents, the following fees apply: | |
| Consultant—individual | \$90 |
| Independent adjuster—individual | 90 |
| Portable electronics—organization | 100 |
| Producer—individual or organization | 100 |
| Public adjuster—individual | 50 |
| Travel insurance—individual or organization | 100 |
| For license renewals for Montana residents, the following fees apply: | |
| Consultant—individual | 100 |
| Independent adjuster—individual | 100 |
| Portable electronics—organization | 100 |
| Producer—individual or organization | 100 |
| Public adjuster—individual | 100 |
| Travel insurance—individual or organization | 100 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Consultant—individual | 400 |
| Independent adjuster—individual | 200 |
| Portable electronics—organization | 400 |
| Producer—individual or organization | 400 |
| Travel insurance—individual or organization | 400 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12 (cont.)

| Description | FEES |
|--|-------|
| NEBRASKA: For new license applications and renewals for Nebraska residents, the following fees apply: Surplus lines—individual or organization | \$250 |

| Description | FEES |
|--|--|
| NEVADA: For new license applications and renewals for Nevada residents, the following fees apply: Independent adjuster—individual or organization Portable electronics—individual or organization Producer—individual or organization Public adjuster—individual or organization Self-storage insurance—organization Surplus lines—individual or organization Travel insurance—individual or organization For licenses reinstated 31–365 days after license expiration, the following fees apply: Independent adjuster—individual or organization Portable electronics—individual or organization Producer—individual or organization Self-storage insurance—organization Travel insurance—individual or organization | \$185 185 185 185 185 185 185 370 740 740 740 740 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| DESCRIPTION | FEES |
|--|---------|
| NEW HAMPSHIRE: | |
| For new/initial license applications for New Hampshire residents, the following fees apply: | |
| Portable electronics—organization | \$1,000 |
| Producer—individual or organization | 210 |
| Public adjuster—individual or organization | 75 |
| Surplus lines—individual or organization | 210 |
| Travel insurance—individual or organization | 210 |
| For license renewals for New Hampshire residents, the following fees apply: | |
| Portable electronics—organization | 1,000 |
| Producer—individual or organization | 150 |
| Public adjuster—individual or organization | 75 |
| Surplus lines—individual or organization | 150 |
| Travel insurance—individual or organization | 150 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—organization | 4,000 |
| Producer—individual or organization | 600 |
| Travel insurance—individual or organization | 600 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| DESCRIPTION | FEES |
|---|-------|
| NEW JERSEY: | |
| For new/initial license applications for New Jersey residents, the following fees apply: | |
| Portable electronics—organization | \$120 |
| Producer—individual or organization, major-lines grouping level | 170 |
| Producer—individual or organization, limited-lines grouping level | 95 |
| Public adjuster—individual or organization | 70 |
| Surplus lines—individual or organization | 170 |
| Travel insurance—individual or organization | 95 |
| For license renewals for New Jersey residents, the following fees apply: | |
| Portable electronics—organization | 100 |
| Producer—individual or organization, major-lines grouping level | 150 |
| Producer—individual or organization, limited-lines grouping level | 90 |
| Public adjuster—individual or organization | 70 |
| Surplus lines—individual or organization | 150 |
| Travel insurance—individual or organization | 90 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—organization | 400 |
| Producer—individual or organization, major-lines grouping level | 600 |
| Producer—individual or organization, limited-lines grouping level | 360 |
| Travel insurance—individual or organization | 360 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|--|
| <p>NEW MEXICO: For new/initial license applications for New Mexico residents, the following fees apply: <i>Note: Retaliatory fees do not apply to new license applications, but to renewals/reinstatements only.</i> Consultant—individual Public adjuster—individual Surplus lines—individual or organization</p> <p>For license renewals for New Mexico residents, the following fees apply: Consultant—individual Public adjuster—individual Surplus lines—individual or organization</p> <p>For licenses reinstated 31–365 days after license expiration, the following fees apply: Consultant—individual</p> | <p style="text-align: right;">\$90 50 120</p> <p style="text-align: right;">100 60 200</p> <p style="text-align: right;">400</p> |

| Description | FEES |
|---|---|
| <p>NEW YORK: For new license applications and renewals for New York residents, the following fees apply: Independent adjuster—individual Public adjuster—individual Surplus lines—individual or organization</p> <p>For licenses reinstated 31–365 days after license expiration, the following fees apply: Independent adjuster—individual</p> | <p style="text-align: right;">\$100 100 400</p> <p style="text-align: right;">200</p> |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|---|-------|
| NORTH CAROLINA: | |
| For new/initial license applications for North Carolina residents, the following fees apply: | |
| Independent adjuster—individual | \$169 |
| Independent adjuster—organization | 169 |
| Portable electronics—organization | 144 |
| Producer—individual, per line of authority (LOA) plus \$44 license fee | 50 |
| Credit or title LOA | 94 |
| Producer—organization | 144 |
| Public adjuster—individual | 169 |
| Public adjuster—organization | 144 |
| Self-storage insurance—organization | 144 |
| Surplus lines—organization | 144 |
| Travel insurance—individual | 94 |
| Travel insurance—organization | 144 |
| For license renewals for North Carolina residents, the following fees apply: | |
| Independent adjuster—individual | 109 |
| Independent adjuster—organization | 134 |
| Portable electronics—organization | 134 |
| Producer—individual | 90 |
| Producer—organization | 134 |
| Public adjuster—individual | 109 |
| Public adjuster—organization | 134 |
| Self-storage insurance—organization | 134 |
| Surplus lines—organization | 134 |
| Travel insurance—individual | 90 |
| Travel insurance—organization | 134 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| NORTH CAROLINA (cont.) | |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—individual | \$218 |
| Independent adjuster—organization | 268 |
| Portable electronics—organization | 536 |
| Producer—individual | 360 |
| Producer—organization | 536 |
| Self-storage insurance—organization | 536 |
| Travel insurance—individual | 360 |
| Travel insurance—organization | 536 |

| Description | FEES |
|---|-------|
| NORTH DAKOTA: | |
| For new/initial license applications for North Dakota residents, the following fees apply: | |
| Portable electronics—individual or organization | \$100 |
| Producer—individual or organization | 100 |
| Public adjuster—individual | 100 |
| Public adjuster—organization | 150 |
| Self-storage insurance—organization | 100 |
| Travel insurance—individual or organization | 100 |
| For license renewals for North Dakota residents, the following fees apply: | |
| <i>Note: Retaliatory fee applies to public adjuster organization only.</i> | |
| Portable electronics—individual or organization | 90 |
| Producer—individual or organization | 90 |
| Public adjuster—individual | 50 |
| Public adjuster—organization | 150 |
| Self-storage insurance—organization | 90 |
| Travel insurance—individual or organization | 90 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|---|------|
| <p>OHIO: For new license applications and renewals for Ohio residents, the following fees apply: Portable electronics—organization \$100 Public adjuster—individual or organization 100 Renewal 50</p> <p>For licenses reinstated 31–365 days after license expiration, the following fees apply: Portable electronics—organization 400</p> | |

| DESCRIPTION | FEES |
|---|------|
| <p>OKLAHOMA: For new license applications and renewals for Oklahoma residents, the following fees apply: Consultant—individual or organization \$100 Portable electronics—individual or organization 100 Producer—individual or organization 100 **Fee charged per major-lines, limited-lines, variable life & annuity and title grouping levels Travel insurance—individual or organization 100</p> <p>For licenses reinstated 31–365 days after license expiration, the following fees apply: Consultant—individual or organization 400 Portable electronics—individual or organization 400 Producer—individual or organization 400 **Fee charged per major-lines, limited-lines, variable life & annuity and title grouping levels Travel insurance—individual or organization 400</p> | |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|---|------|
| <p>OREGON: For new license applications and renewals for Oregon residents, the following fees apply: Portable electronics—organization \$200 Self-storage insurance—organization 200</p> <p>For licenses reinstated 31–365 days after license expiration, the following fees apply: Portable electronics—organization 800 Self-storage insurance—organization 800</p> | |

| DESCRIPTION | FEES |
|---|------|
| <p>PENNSYLVANIA: For new license applications and renewals for Pennsylvania residents, the following fees apply: Portable electronics—individual or organization \$110 Producer—individual or organization 110 Public adjuster—individual or organization 200 Self-storage insurance—organization 110 Surplus lines—individual or organization 200 Travel insurance—individual or organization 400</p> <p>For licenses reinstated 31–365 days after license expiration, the following fees apply: Portable electronics—individual or organization 440 Producer—individual or organization 440 **Fee charged per major-lines, limited-lines and title grouping levels Self-storage insurance—organization 440 Travel insurance—individual or organization 1,600</p> | |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| DESCRIPTION | FEES |
|--|-------|
| RHODE ISLAND: | |
| For new license applications and renewals for Rhode Island residents, the following fees apply: | |
| Independent adjuster—individual | \$250 |
| Independent adjuster—organization | 150 |
| Portable electronics—organization | 200 |
| Producer—individual or organization | 130 |
| Public adjuster—individual | 250 |
| Public adjuster—organization | 150 |
| Travel insurance—individual or organization | 130 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—individual | 500 |
| Independent adjuster—organization | 300 |
| Portable electronics—organization | 800 |
| Producer—individual or organization | 520 |
| **Add additional \$520 if Title LOA is included with one or more other LOAs | |
| Travel insurance—individual or organization | 520 |

| Description | FEES |
|--|---------|
| SOUTH CAROLINA: | |
| For new applications and renewals for South Carolina residents, the following fees apply: | |
| Portable electronics—organization | \$1,000 |
| Renewal | 500 |
| Surplus lines—individual | 200 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—organization | 2,000 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|---|------|
| <p>TENNESSEE: For new license applications and renewals for Tennessee residents, the following fees apply: Portable electronics—organization \$100 Public adjuster—individual or organization 100</p> <p>For licenses reinstated 31–365 days after license expiration, the following fees apply: Portable electronics—organization 400</p> | |

| Description | FEES |
|---|------|
| <p>VERMONT: For new/initial license applications for Vermont residents, the following fees apply: Consultant—individual \$230 Independent adjuster—individual or organization 150 Portable electronics—organization 180 Producer—individual, per major-lines, limited-lines and title grouping levels 120 Producer—organization, major-lines grouping level 120 Producer—organization, limited-lines grouping level 180 Public adjuster—individual or organization 230 Self-storage insurance—organization 180 Surplus lines—individual or organization 430 Travel insurance—individual 120 Travel insurance—organization 180</p> | |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|-------|
| VERMONT (cont.) | |
| For license renewals for Vermont residents, the following fees apply: | |
| Consultant—individual | \$200 |
| Independent adjuster—individual or organization | 120 |
| Portable electronics—organization | 150 |
| Producer—individual, per major-lines, limited-lines and title grouping levels | 90 |
| Producer—organization, major-lines grouping level | 90 |
| Producer—organization, limited-lines grouping level | 150 |
| Public adjuster—individual or organization | 200 |
| Self-storage insurance—organization | 150 |
| Surplus lines—individual or organization | 400 |
| Travel insurance—individual | 90 |
| Travel insurance—organization | 150 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Consultant—individual | 800 |
| Independent adjuster—individual or organization | 240 |
| Portable electronics—organization | 600 |
| Producer—individual, per major-lines, limited-lines and title grouping levels | 360 |
| Producer—organization, major-lines grouping level | 360 |
| Producer—organization, limited-lines grouping level | 600 |
| Self-storage insurance—organization | 600 |
| Travel insurance—individual | 360 |
| Travel insurance—organization | 600 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|--|------|
| VIRGINIA: For new license applications and renewals for Virginia residents, the following fees apply: Public adjuster—individual or organization | \$50 |

| Description | FEES |
|--|--|
| WASHINGTON: For new license applications and renewals for Washington residents, the following fees apply: Portable electronics—organization Renewal Surplus lines—individual Renewal Surplus lines—organization For licenses reinstated 31–365 days after license expiration, the following fees apply: Portable electronics—organization | \$500 250 205 200 200 1,000 |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| Description | FEES |
|---|-------|
| WEST VIRGINIA: | |
| For new license applications and renewals for West Virginia residents, the following fees apply: | |
| Portable electronics—organization | \$200 |
| Producer—organization | 200 |
| Self-storage insurance—organization | 200 |
| Surplus lines—individual or organization | 200 |
| Travel insurance—organization | 200 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Portable electronics—organization | 800 |
| Producer—organization | 800 |
| Self-storage insurance—organization | 800 |
| Travel insurance—organization | 800 |

| Description | FEES |
|--|------|
| WISCONSIN: | |
| For new/initial license applications for Wisconsin residents, the following fees apply: | |
| Producer—individual, per line of authority (LOA) if more than one LOA | \$75 |
| Producer—organization | 100 |
| Travel insurance—organization | 100 |
| <i>Note: Retaliatory fees do not apply to Wisconsin renewals and reinstatements.</i> | |

INDIANA (cont.)

PRODUCER LICENSING FEES

INDIANA (cont.)

§ 27-1-20-12(a) (cont.)

| DESCRIPTION | FEES |
|---|-------|
| WYOMING: | |
| For new license applications and renewals for Wyoming residents, the following fees apply: | |
| Independent adjuster—individual | \$100 |
| Renewal | 150 |
| Portable electronics—organization | 100 |
| Producer—individual or organization | 150 |
| **Fee charged per life/health, property/casualty, credit, and limited-lines grouping levels | |
| Producer—organization, limited-line crop, funeral director, or title | 100 |
| Surplus lines—individual | 100 |
| Travel insurance—organization | 100 |
| For licenses reinstated 31–365 days after license expiration, the following fees apply: | |
| Independent adjuster—individual | 300 |
| Portable electronics—organization | 400 |
| Producer—individual or organization | 600 |
| **Fee charged per life/health, property/casualty, credit, and limited-lines grouping levels | |
| Producer—organization, limited-line crop, funeral director, or title | 400 |
| Travel insurance—organization | 400 |

PRODUCER LICENSING FEES

IOWA (12/22)

§ 522B.4; IAC 191-10.26

| DESCRIPTION | FEES |
|---|-------------------|
| Agent's license: Triennial Reinstatement of license in addition to the above Limited license, triennial | \$50 100 50 |
| Paid by individual or company. Nonresident will pay higher of above fee or retaliatory fee. | |

KANSAS (12/22)

§§ 40-4906; 40-4203; KAR 40-7-19; 40-7-21; Department website

| DESCRIPTION | FEES |
|---|--|
| Agents: Agents application fee Nonresident agents' license, biennially *Examination Single line Two or more lines **Verification of license record *Duplicate license **Certification of home state **Clearance letter * These fees are paid for by the examinee directly to the exam vendor. ** These fees are available at no charge if the producer is registered on the Producer Desktop. | \$30 50 57 64 10 10 10 10 |
| Prepaid service plans: Registered individuals | 2 |

PRODUCER LICENSING FEES

KENTUCKY (12/22)

806 KAR 4:010

| DESCRIPTION | FEES |
|--|-------------|
| Agent licenses: | |
| Resident agent for license | \$40 |
| Plus for each line of authority an additional fee of | 40 |
| Nonresident agent license | 50 |
| Plus for each line of authority an additional fee of | 50 |
| Resident business entity, for license | 100 |
| Plus for each line of authority an additional fee of | 100 |
| Nonresident business entity, for license | 120 |
| Plus for each line of authority an additional fee of | 120 |
| <i>No renewal fee if have active appointment.</i> | |
| Temporary license as agent | 20 |
| Surplus lines broker, biennial | 100 |
| Managing general agent, biennial | 100 |
| Reinsurance intermediary, biennial | 100 |
| Adjuster license, biennial | 50 |
| Temporary license as apprentice adjuster (nonrenewable) | 25 |
| Administrator's license, biennial | 50 |
| Consultant license, biennial | 100 |
| Rental vehicle: | |
| Agent, business entity | 100 |
| Location, each location | 50 |
| Managing employee, individual | 40 |
| Nonresident individual | 50 |
| Nonresident business entity | 120 |
| Viatical settlement: | |
| Individual broker | 250 |
| Business entity | 750 |
| Examination fee per exam | 50 |
| <i>Property and casualty is a combined exam when taken at the same time.</i> | |
| Certification, clearance letter, duplicate license, etc. | 5 |

PRODUCER LICENSING FEES

LOUISIANA (12/22)

§ 22:821

| DESCRIPTION | FEES |
|---|-------------|
| Producer: | |
| First time applicant | \$75 |
| Application to add lines | 50 |
| Renewal fee (every two years) – One line | 55 |
| Renewal fee (every two years) – Two or more lines | 50 |
| Surplus lines broker: | |
| First time applicant | 250 |
| Renewal fee (every two years) | 350 |
| Managing general agents: | |
| Initial registration | 300 |
| Insurer's initial notice of appointment | 300 |
| Annual registration | 300 |
| Insurer's annual notice of appointment | 300 |
| Third party administrators: | |
| Licensing fee | 500 |
| Annual report filing fee | 300 |
| Risk purchasing group: | |
| Registration | 100 |
| Annual renewal of registration | 50 |
| Claims adjusters: | |
| First time applicant | 55 |
| Renewal (every two years) | 50 |
| Catastrophe and emergency claims adjuster | 25 |
| Public adjusters: | |
| First time applicant | 55 |
| Renewal (every two years) | 50 |

PRODUCER LICENSING FEES

MAINE (12/22)

24-A M.R.S.A. §§ 601; 1416-A

| DESCRIPTION | FEES |
|--|-------------|
| Producer's licenses: | |
| Issuance fee for original resident producer license, including limited license | \$30 |
| Temporary license issuance fee | 50 |
| Issuance fee for original nonresident producer license | 70 |
| Consultant license: | |
| Consultants application filing fee | 25 |
| Resident consultant, issuance fee for original license | 50 |
| Biennial continuation | 50 |
| Nonresident consultant, issuance fee for original license | 100 |
| Biennial continuation | 100 |
| Adjuster license: | |
| Issuance fee for original resident adjuster license | 30 |
| Biennial continuation | 30 |
| Issuance fee for original nonresident adjuster license | 60 |
| Biennial continuation | 60 |
| Temporary license | 50 |
| Application for license: | |
| Filing application, other than consultants | 15 |
| Consultants, filing application | 25 |
| Managing general agent: | |
| Original registration fee | 100 |
| Annual continuation of registration | 100 |
| Reinsurance intermediary: | |
| Original license issuance fee | 50 |
| Annual continuation | 50 |

MAINE (cont.)

PRODUCER LICENSING FEES

MAINE (cont.)

24-A M.R.S.A. §§ 601; 1416-A (cont.)

| DESCRIPTION | FEES |
|--|-------------|
| Organizations: | |
| Issuance fee for resident producer agency (business entity) license | \$30 |
| Biennial continuation fee | 30 |
| Issuance fee for nonresident producer agency (business entity) license | 70 |
| Biennial continuation fee | 70 |
| Issuance fee for original resident consultant (business entity) license | 50 |
| Biennial continuation fee | 50 |
| Issuance fee for original nonresident consultant (business entity) license | 100 |
| Biennial continuation fee | 100 |
| Issuance fee for resident adjuster (business entity) license | 30 |
| Biennial continuation fee | 30 |
| Issuance fee for nonresident adjuster (business entity) license | 60 |
| Biennial continuation fee | 60 |
| Continuing education: | |
| Filing fee each vendor | 100 |
| Biennial continuation of vendor | 100 |
| Filing fee for original approval of each course | 20 |
| Portable electronic device insurance vendor: | |
| Original license issuance fee (24-month term) | 1000 |
| Annual renewal fee after initial term | 500 |
| Service contract provider or administrator: | |
| Annual registration fee | 200 |
| Supervising travel insurance producer: | |
| Original license issuance fee | 500 |
| Annual renewal fee | 300 |
| Surplus lines authority: | |
| Original license issuance fee | 150 |

PRODUCER LICENSING FEES

MARYLAND (12/22)

Ins. §§ 2-112; 8-506; 8-509; 8-510

| DESCRIPTION | FEES |
|---|-------------|
| Insurance producer license: | |
| Application fee | \$25 |
| Fee for initial license | 54 |
| Biennial renewal fee | 54 |
| Managing general agents: | |
| Fee for initial certificate | 30 |
| Annual renewal fee | 30 |
| Surplus line broker's certificate of qualification: | |
| Original certificate within one year of renewal | 100 |
| Original certificate over one year from renewal | 100 |
| Biennial renewal or continuation of certificate | 200 |
| Public adjuster's license: | |
| Original license within one year of renewal | 25 |
| Original certificate over one year from renewal | 50 |
| Biennial renewal or continuation of certificate | 50 |
| Adviser's license: | |
| Original license within one year of renewal | 100 |
| Original certificate over one year from renewal | 200 |
| Biennial renewal or continuation of certificate | 200 |
| Reinsurance intermediaries license: | |
| Application for license | 25 |
| License fee | 54 |
| To add or delete name from license | 10 |
| Temporary producer: | |
| Temporary insurance producer licenses and appointments | 27 |
| Ins. § 6-203 Fraud Prevention Fee - Each agent except a fraternal agent shall be assessed a \$15 fee for fraud prevention, due June 30, every other year. | |

PRODUCER LICENSING FEES**MASSACHUSETTS (12/22)**

M.G.L.A. 26 § 8G; M.G.L.A. 175 § 14; 801 Mass. Code Regs. § 4.02; M.G.L.A. 175 §§ 162G to 162X; 162Y; M.G.L.A. 175 § 177O; 212 CMR 2.00; M.G.L.A. 175 §§ 177A; 177B; M.G.L.A. 175 §§ 212 to 233E; Division website

| DESCRIPTION | FEES |
|---|-------------|
| Producer: | |
| Individual producer license/renewal (triennial fee) | \$225 |
| Individual producer with property and casualty lines of authority and individual producers with personal lines of authority – there is an additional lead paint surcharge | 300 |
| Business entity producer license/renewal (per member) | 75 |
| Letters of certification | 20 |
| Clearance letters | 20 |
| Duplicate or replacement | 25 |
| Exam (provided by vendor, Prometric) | 39 |
| Adviser: | |
| Exam (provided by vendor, Prometric) | 10 |
| License, triennial fee | 200 |
| Business entity adviser annual license/renewal (per member) | 200 |
| Duplicate or replacement | 25 |
| Life settlement broker: | |
| Individual life settlement broker license/renewal (triennially) | 225 |
| Business entity life settlement broker annual license/renewal (per member) | 75 |
| Duplicate or replacement license | 25 |
| Motor vehicle damage appraiser: | |
| Initial license | 50 |
| License renewal | 50 |
| Late renewal | 50 |
| Certification | 20 |
| Examination (provided by vendor, Prometric) | 100 |
| Re-examination | 50 |
| Duplicate or replacement license | 20 |

MASSACHUSETTS (cont.)

PRODUCER LICENSING FEES**MASSACHUSETTS (cont.)**

M.G.L.A. 26 § 8G; M.G.L.A. 175 § 14; 801 Mass. Code Regs. § 4.02; M.G.L.A. 175 §§ 162G to 162X; 162Y; M.G.L.A. 175 § 177O; 212 CMR 2.00; M.G.L.A. 175 §§ 177A; 177B; M.G.L.A. 175 §§ 212 to 233E; Division website (cont.)

| DESCRIPTION | FEES |
|--|-------------|
| Public insurance adjuster: | |
| Exam (provided by vendor, Prometric) | \$39 |
| License, triennial fee | 200 |
| Business entity public insurance adjuster license/renewal annual (per member) | 200 |
| Duplicate or replacement license | 25 |
| Surplus lines broker: | |
| License, annual fee | 150 |
| Business entity surplus lines broker annual license/renewal (per member) | 150 |
| Duplicate or replacement license | 25 |
| Banks in the business of insurance sales: | |
| License, annual fee | 75 |
| License, renewal fee | 75 |
| Duplicate license | 25 |
| Motor clubs: | |
| Motor clubs (on admission) | 200 |
| Agent (motor club) | 25 |
| Duplicate or replacement license | 25 |
| Portable electronic insurance limited lines license: | |
| License initial license fee | 1000 |
| License renewal fee | 500 |
| Duplicate or replacement license | 25 |
| Reinsurance intermediary broker: | |
| License, triennial fee | 200 |
| Business entity reinsurance intermediary broker license/renewal annual (per member) | 66.66 |
| Duplicate or replacement | 25 |
| Reinsurance intermediary manager: | |
| License, triennial fee | 200 |
| Business entity reinsurance intermediary manager license/renewal annual (per member) | 66.66 |
| Duplicate or replacement | 25 |

PRODUCER LICENSING FEES

MICHIGAN (12/22)

§ 500.240

| DESCRIPTION | FEES |
|---|----------------------|
| Application fees: Producer, surplus lines, solicitor, insurance counselor, or adjuster | \$10 |
| Annual fees (first year, add to application fee): Solicitor's license, yearly Insurance counselor license, yearly Adjuster's license, yearly Surplus lines license, yearly | 10 10 5 100 |
| Examination fee (paid to outside vendor) | 41 per exam |

PRODUCER LICENSING FEES

MINNESOTA (12/22)

§§ 60K.55; 72B.041; 60A.71; 60A.14

| DESCRIPTION | FEES |
|---|--------------|
| Producers' licenses: | |
| Initial life, health, P/C license-per line of authority | \$50 |
| Renewal of license, biennially | 50 |
| Initial variable life and annuity license | 50 |
| Renewal, biennially | 50 |
| Initial personal lines license, farm property liability | 50 |
| Renewal, biennially | 50 |
| Initial limited lines producer license (credit, title, travel baggage, bail bond) | 50 |
| Renewal, biennially | 50 |
| Initial license issued to business entity | 200 |
| Renewal, biennially | 200 |
| Initial limited lines portable electronics insurance vendor, 10 or fewer locations | 100/location |
| Renewal, biennially | 100/location |
| Initial limited lines portable electronics insurance vendor, more than 10 locations | 6500 |
| Renewal, biennially | 6500 |
| *Technology surcharge | 30 |
| Insurance adjusters: | |
| Initial license or temporary permit | 50 |
| Renewal, biennially | 50 |
| Registration fee for each nonlicensed adjuster | 20 |
| License issued to business entity | 50 |
| Renewal, biennially | 50 |
| *Technology surcharge | 30 |
| Surplus lines agents: | |
| Initial surplus lines agent's license | 500 |
| Renewal, biennially | 500 |
| Reinsurance intermediaries: | |
| Initial fee for two year license | 200 |
| Renewal of reinsurance intermediary license | 150 |

**Individual insurance producers and adjusters shall pay a technology surcharge in addition to the fees required for each initial license and renewal.*

PRODUCER LICENSING FEES

MISSISSIPPI (12/22)

Department Schedule of Fees; Bulletin 2005-1

| DESCRIPTION | FEES |
|---|-------------|
| Insurance producer (property, casualty, life, accident and health, personal lines, variable annuities and variable contracts): | |
| Individuals: | |
| Original license | \$100 |
| Biennial renew (birth month) | 100 |
| Business entities: | |
| Original license | 200 |
| Biennial renew (May 31) | 200 |
| Limited lines insurance producer (title, crop, surety, travel, car rental, trip accident and baggage, industrial life, industrial fire): | |
| Individuals: | |
| Original license | 100 |
| Biennial renew (birth month) | 100 |
| Business entities: | |
| Original license | 200 |
| Biennial renew (May 31) | 200 |
| Limited line credit insurance producer (credit): | |
| Individuals: | |
| Original license | 100 |
| Biennial renew (birth month) | 100 |
| Business entities: | |
| Original license | 200 |
| Biennial renew (May 31) | 200 |
| Limited lines travel insurance producer business entity: | |
| Original license | 200 |
| Biennial review (May 31) | 200 |
| Portable electronics insurance producer business entity: | |
| Original license | 5000 |
| Biennial renew (Dec. 31) | 5000 |

MISSISSIPPI (cont.)

PRODUCER LICENSING FEES

MISSISSIPPI (cont.)

Department Schedule of Fees; Bulletin 2005-1 (cont.)

| DESCRIPTION | FEES |
|---------------------------------------|-------------|
| Adjuster: | |
| Incorporating adjusting company: | |
| Original license | \$400 |
| Biennial renewal (May 31) | 400 |
| Individual adjusters: | |
| Original license | 100 |
| Biennial renewal (birth month) | 100 |
| Third party administrators: | |
| Original | 200 |
| Renewal | 200 |
| Annual statement | 100 |
| Transportation Network Company | |
| Original | 5000 |
| Renewal | 5000 |

MISSOURI (12/22)

§§ 375.015; 375.018

| DESCRIPTION | FEES |
|---|-------------|
| Business entity: | |
| Producer application license (agency license) | \$100 |
| Biennial renewal fee | 100 |
| Producer application: | |
| Initial fee | 100 |
| Biennial renewal fee | 100 |

PRODUCER LICENSING FEES

MONTANA (12/22)

§§ 33-2-708; 33-17-1205

| DESCRIPTION | FEES |
|---|------------------|
| Resident insurance producer's license: Lapsed license reinstatement fee | \$100 |
| Nonresident insurance producer's license: Application for original license, including issuance of license, if issued Biennial renewal of license Lapsed license reinstatement fee | 100 50 100 |
| Surplus lines insurance producer license: Application for original license and for issuance of license, if issued Biennial renewal of license Lapsed license reinstatement fee | 50 100 200 |
| Adjuster license: Application for original license Biennial renewal of license Lapsed license reinstatement fee | 50 100 200 |
| Viatical settlement broker's license: Application for original license Biennial renewal of license Lapsed license reinstatement fee | 50 100 200 |
| Insurance consultant's license: Application for original license Biennial renewal of license Lapsed license reinstatement fee | 50 100 200 |
| Rental car entity producer's license (resident and nonresident): Application for original license Quarterly filing fee | 100 25 |

PRODUCER LICENSING FEES

NEBRASKA (12/22)

Bulletin CB-38; § 44-4064

| DESCRIPTION | FEES |
|---|-------------------|
| Producer fees: | |
| Resident producer's initial license | \$50 |
| Resident producer's renewal license | 50 |
| Nonresident producer's license | 50 |
| Nonresident producer's renewal license | 50 |
| Reinstatement fee (within 30 days) | 90 |
| Reinstatement fee (after 31 days and before 12 months) | 90 + application |
| Resident and nonresident agency license/renewal | 50 |
| Resident and nonresident agency reinstatement | 100 |
| Individual insurance consultant license/renewal | 50 |
| Individual insurance consultant reinstatement (up to 12 months) | 90 + application |
| Corporate insurance consultant license/renewal | 50 |
| Corporate insurance consultant reinstatement (up to 12 months) | 100 + application |
| Surplus lines license/renewal (individual) | 250 |
| Surplus lines license/renewal (corporate) | 250 |
| Surplus lines reinstatement (up to 12 months) | 350 + application |
| Utilization review agent license | 300 |
| Utilization review agent renewal | 100 |
| Reinsurance intermediary license/renewal | 250 |
| Individual licenses paid biennially, all others annually. May be paid by producer or company under producer appointments. | |

PRODUCER LICENSING FEES

NEVADA (12/22)

§§ 680B.010; 683A.261

| DESCRIPTION | FEES |
|---|-------------|
| Producers' licenses, appointments and renewals: | |
| Appointment fee for each insurer | \$15 |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Modification of an existing license | 50 |
| Temporary license | 10 |
| Surplus lines broker: | |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Managing general agents' licenses, appointments and renewals: | |
| Appointment fee for each insurer | 15 |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Reinsurance intermediary broker or manager: | |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Adjusters' licenses and renewals: | |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Licenses and renewals for appraisers of physical damage to motor vehicles: | |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Additional title and property insurers: | |
| Original registration | 50 |
| Annual renewal | 25 |
| Insurance vending machines: | |
| Application and license, for each machine | 125 |
| Triennial renewal of each license | 125 |

NEVADA (cont.)

PRODUCER LICENSING FEES

NEVADA (cont.)

§ 680B.010; 683A.261 (cont.)

| DESCRIPTION | FEES |
|---|-------------|
| Permit for solicitation for securities: | |
| Application for permit | \$100 |
| Extension of permit | 50 |
| Securities salespersons for domestic insurers: | |
| Application and license | 25 |
| Annual renewal license | 15 |
| Rating organizations: | |
| Application and license | 500 |
| Annual renewal | 500 |
| Administrators licensed – certificate and renewals: | |
| Application and certificate of registration | 125 |
| Triennial renewal | 125 |
| Title agents and escrow officers - licenses and renewals: | |
| Appointment fee for each insurer | 15 |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Bail agents licenses, appointments and renewals: | |
| Application and license | 125 |
| Appointment for each surety insurer | 15 |
| Triennial renewal of each license | 125 |
| Bail enforcement agents licenses and renewals: | |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| General agents for bail licenses, appointments and renewals: | |
| Application and license | 125 |
| Initial appointment fee for each insurer | 15 |
| Triennial renewal of each license | 125 |
| Bail solicitors licenses and renewals: | |
| Application and license | 125 |
| Triennial renewal of each application | 125 |

NEVADA (cont.)

PRODUCER LICENSING FEES

NEVADA (cont.)

§§ 680B.010; 683A.261 (cont.)

| DESCRIPTION | FEES |
|---|-------------|
| Prepaid funeral contracts: | |
| Certificate of authority and renewal of seller | \$125 |
| Triennial renewal of each license | 125 |
| Prepaid funeral contracts and prepaid burial contracts - licenses and renewals for agents: | |
| Application and license | 125 |
| Triennial renewal of each license | 125 |
| Risk retention groups (foreign): | |
| Initial registration | 250 |
| Each annual continuation of a certificate of registration | 250 |
| Required filing of forms: | |
| For rates and policies | 25 |
| For riders and endorsements | 10 |
| Viatical settlements: | |
| Provider of viatical settlements: | |
| Application and license | 1000 |
| Annual renewal | 1000 |
| Broker of viatical settlements: | |
| Application and license | 500 |
| Annual renewal | 500 |
| Registration of producer of insurance acting as a viatical settlement broker | 250 |
| Insurance consultants: | |
| Application and license | 125 |
| Triennial renewal | 125 |
| Licensee's association with or appointment or sponsorship by an organization: | |
| Initial appointment, association or sponsorship, for each organization | 50 |
| Renewal of each association or sponsorship | 50 |
| Annual renewal of appointment | 15 |

NEVADA (cont.)

PRODUCER LICENSING FEES

NEVADA (cont.)

§§ 680B.010; 683A.261 (cont.)

| DESCRIPTION | FEES |
|--|------------------|
| Purchasing groups: Initial registration and review of an application Each annual continuation of registration | \$100 100 |
| Miscellaneous fees: Letter of clearance for a producer Certificate of status as a licensed producer Certified copies of certificates of authority and licenses issued pursuant to the code | 10 10 10 |
| Exchange enrollment facilitators: Application and certificate Triennial renewal of each certificate Temporary certificate | 125 125 10 |
| <i>See § 680C.110 for the fees to be paid to the commissioner for The Fund for Insurance Administration and Enforcement.</i> | |

PRODUCER LICENSING FEES

NEW HAMPSHIRE (12/22)

§ 400-A:29

| DESCRIPTION | FEES |
|--|-------------|
| Producers: | |
| Application and license fee (non-refundable) | \$210 |
| Biennial renewal (non-refundable) | 150 |
| Additional fee for late renewal | 150 |
| Appointment fee | 25 |
| Amendment to license | 50 |
| Terminations fee | 25 |
| Address change | 10 |
| Copies (all documents) | 1 per page |
| Mail return fee (incorrect name, address, etc.) | 25 |
| Managing general agents: | |
| Application fee | 50 |
| Original license | 350 |
| Renewal license | 250 |
| Reinsurance intermediaries: | |
| Application fee | 50 |
| Original license | 350 |
| Renewal license | 250 |
| Adjuster's licenses: | |
| Application and initial license fee (non-refundable) | 75 |
| Biennial renewal (non-refundable) | 75 |
| Public adjuster's licenses: | |
| Application and initial license fee (non-refundable) | 100 |
| Biennial renewal (non-refundable) | 100 |

PRODUCER LICENSING FEES

NEW JERSEY (12/22)

§§ 17:22B-9; 17:22B-11; NJAC 11:1-37.18; 11:17-2.13

| DESCRIPTION | FEES |
|--|---|
| <p>Producer fees:</p> <ul style="list-style-type: none"> License fee (valid for 2 years) Filing or processing initial application Additional authority filing Reinstating terminated license before its stated expiration date Branch office registration Filing or processing any notice of agency contract Limited line only (valid for 2 years) Late renewal fee, not limited line Late renewal fee, limited line | <p style="text-align: center;">\$150</p> <p style="text-align: center;">Electronic 20; Paper 40</p> <p style="text-align: center;">Electronic 20; Paper 40</p> <p style="text-align: center;">Electronic 20; Paper 40</p> <p style="text-align: center;">Paper 20</p> <p style="text-align: center;">Electronic 25; Paper 35</p> <p style="text-align: center;">75</p> <p style="text-align: center;">100</p> <p style="text-align: center;">50</p> |
| <p>Public adjuster:</p> <ul style="list-style-type: none"> License (valid for 2 years) Sublicensee (90-day temporary) Sublicensee renewal (90-day temporary) | <p style="text-align: center;">Paper processing 20, plus 50</p> <p style="text-align: center;">Paper processing 20, plus 150</p> <p style="text-align: center;">Paper processing 20, plus 150</p> |

PRODUCER LICENSING FEES

NEW MEXICO (12/22)

§§ 59A-6-1; 59A-12-26

| DESCRIPTION | FEES |
|--|-------------|
| Producers' licenses: | |
| Filing application for original producer license, and issuance of license | \$30 |
| Biennial continuation of license | 60 |
| Agency business entity license and affiliations: | |
| Filing application for original agency business entity license and issuance of license | 30 |
| Biennial continuation of license | 60 |
| Filing of individual affiliation | 20 |
| Annual continuation of individual affiliation | 20 |
| Appointment of producer: | |
| Filing appointment, per kind of insurance, each insurer | 20 |
| Annual continuation of appointment, per kind of insurance, each insurer | 20 |
| Viatical settlement license: | |
| Providers: | |
| Filing application for original license and issuance of license | 1000 |
| Biennial continuation of license | 400 |
| Brokers: | |
| Filing application for original license and issuance of license | 100 |
| Biennial continuation of license | 200 |
| Brokerages: | |
| Filing application for original business entity license and issuance of license | 100 |
| Biennial continuation of license | 200 |
| Filing of individual affiliation | 20 |
| Annual continuation of individual affiliation | 20 |
| Insurance consultant license: | |
| Filing application for original license and issuance of license | 50 |
| Application examination | 75 |
| Biennial continuation of license | 100 |
| Temporary license: | |
| Filing application | 30 |

NEW MEXICO (cont.)

PRODUCER LICENSING FEES

NEW MEXICO (cont.)

§§ 59A-6-1; 59A-12-26 (cont.)

| DESCRIPTION | FEES |
|---|-------------|
| Third party administrators: | |
| Filing application for original business entity insurance administrator license | \$100 |
| Biennial continuation or renewal of annual license | 200 |
| Filing of annual report | 50 |
| Surplus lines broker license: | |
| Filing application for license and issuance of original license | 100 |
| Biennial continuation of license | 200 |
| Surplus lines brokerage business entity license and affiliations: | |
| Filing application for original surplus lines brokerage business entity license and issuance of license | 100 |
| Biennial continuation of license | 200 |
| Filing of individual affiliation | 20 |
| Annual continuation of individual affiliation | 20 |
| Adjuster license: | |
| Filing application for original license and issuance of license | 30 |
| Biennial continuation of license | 60 |
| Examination for license (each kind) | 75 |
| Continuing education , certification of credits (per credit hour reported) | 1 |
| Miscellaneous: | |
| Duplicate license | 30 |
| Name change | 30 |
| For each signature and seal of superintendent affixed to any instrument | 10 |

PRODUCER LICENSING FEES

NEW YORK (12/22)

Insurance Law §§ 2103 to 2104

| DESCRIPTION | FEES |
|---|------------|
| Agents' license: \$40 per year, biennial renewal Partnership, Corporation or LLC - \$40 per sublicensee per year, biennial renewal | \$80 80 |
| Brokers' license: \$40 per year, biennial renewal Partnernship, Corporation or LLC - \$40 per sublicensee per year, biennial renewal | 80 80 |
| Duplicate license fee of \$15. Late fee of \$10, and continuing education filing fee of \$10 if continuing education is required. | |

PRODUCER LICENSING FEES

NORTH CAROLINA (12/22)

Bulletin 90-L-8; §§ 58-33-125; 58-58-210; Department website

| DESCRIPTION | FEES |
|---|--|
| Agent: Agent, etc., license application Med. Supp/LTC agent application Corporation application Fingerprint fee Initial application processing fee | \$50 50 100 38 44 |
| Company/Firm Adjuster: Adjuster Registration fee Initial application processing fee Renewal processing fee Adjuster, crop/hail only Registration fee Initial application processing fee Renewal processing fee | 75 50 44 34 20 50 44 34 |
| Public Adjuster: Public Adjuster Registration fee Initial application processing fee Renewal processing fee Fingerprint fee (initial application) | 75 50 44 34 38 |
| Public Adjuster Business Entity: Business Entity Application processing fee Renewal processing fee Key person fingerprint fee (initial app) | 100 44 34 38 |
| Broker: Resident or nonresident Application processing fee Renewal processing fee | 50 44 34 |

NORTH CAROLINA (cont.)

PRODUCER LICENSING FEES**NORTH CAROLINA (cont.)**

Bulletin 90-L-8; §§ 58-33-125; 58-58-210 (cont.); Department website

| DESCRIPTION | FEES |
|--|-------------|
| Corporation license | |
| Corporation license | \$100 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |
| Partnership license | |
| Partnership license | 100 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |
| Viatical settlements broker | |
| Viatical settlement broker | 500 |
| Application processing fee | 44 |
| Fingerprint fee (initial license) | 38 |
| Renewal processing fee | 34 |
| Surplus lines: | |
| Individual | 50 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |
| Corporation | 100 |
| Application processing fee | 44 |
| Renewal processing fee | 34 |
| Purchasing group | |
| Purchasing group appointment fee (paid by the carrier) | 50 |
| Annual appointment fee (paid by the carrier) | 50 |
| Limited insurance license: | |
| Rental car | 100 |
| Renewal processing fee | 34 |
| Limited representative cancellation | 10 |
| Miscellaneous services: | |
| Auto damage appraiser | 75 |

PRODUCER LICENSING FEES

NORTH DAKOTA (12/22)

§§ 26.1-01-07; 26.1-26-20

| DESCRIPTION | FEES |
|---|-------|
| Producer fees: | |
| Producer’s license | \$100 |
| Surplus lines producer’s license, issuing | 100 |
| Surplus lines producer license annual renewal | 25 |
| Consultant’s license | 100 |
| Consultant’s license annual renewal | 25 |
| Duplicate license | 10 |
| Individual producer biennial continuation fee | 25 |
| Letter of certification | 10 |
| Company appointment | 10 |
| Company appointment annual renewal | 10 |
| Third party administrator | 100 |
| Third party administrator annual renewal | 50 |
| Life settlement broker | 100 |
| Life settlement broker annual renewal | 12 |
| Life settlement provider application | 250 |
| Life settlement provider annual statement | 25 |
| Life settlement provider annual renewal | 100 |
| Public adjuster | 100 |

PRODUCER LICENSING FEES

OHIO (12/22)

§§ 3905.32; 3905.40; 3905.72; 3905.81; 3905.85 to 3905.86; 3916.03; 3951.06; 1739.03; 1739.04; 1751.44; 3959.06; 3959.10; OAC 3901-9-01; 3901-9-02; 3901-5-09;
Insurance Fees Schedule

| DESCRIPTION | FEES |
|--|-------------|
| Agents: | |
| Application | \$10 |
| Agent certification | 2 |
| Agent clearance | 5 |
| Agent appointment and each annual appointment renewal | 15/appt. |
| Biennial license renewal fee for each insurance agent doing business in this state, except agents who have met their continuing education requirements, surety bail bond agents, surplus lines brokers, and portable electronics insurance vendors | 25 |
| Late renewal | 50 |
| Reactivation fee | 50 |
| Reinstatement fee | 100 |
| Brokers: | |
| Surplus lines broker, initial and renewal | 100 |
| Adjusters: | |
| Public insurance adjuster agent (first certificate of authority) | 100 |
| Public insurance adjuster agent (renewal certificate of authority) | 50 |
| Public insurance adjuster (first certificate of authority) | 100 |
| Public insurance adjuster (renewal certificate of authority) | 50 |
| Reinsurance intermediary issuance or renewal of license | 500 |
| Managing general agent application and renewal | 20 |
| Multiple employer welfare association application and renewal | 1000 |
| Portable electronics: | |
| Original application with ten or fewer locations in Ohio | 100 |
| Original application with eleven or more locations in Ohio | 1000 |
| Renewal application with ten or fewer locations in Ohio | 100 |
| Renewal application with eleven or more locations in Ohio | 500 |
| Surety bail bond: | |
| Original application | 150 |
| License renewal | 150 |
| Fee for late renewal | 50 |
| Reinstatement fee | 100 |

OHIO (cont.)

PRODUCER LICENSING FEES

OHIO (cont.)

§§ 3905.32; 3905.40; 3905.72; 3905.81; 3905.85 to 3905.86; 3916.03; 3951.06; 1739.03; 1739.04; 1751.44; 3959.06; 3959.10; OAC 3901-9-01; 3901-9-02; 3901-5-09;
Insurance Fees Schedule (cont.)

| DESCRIPTION | FEES |
|---|---------------------------|
| Third party administrators: Original application Renewal Reinstatement – late renewal (per month) | \$200 300 25 |
| Viatical settlement: Broker original application Broker renewal application Provider original application Provider renewal application | 200 100 1000 500 |

PRODUCER LICENSING FEES

OKLAHOMA (12/22)

36 Okl.St. Ann. §§ 1435.23; 3105; 6212; 4055.3

| DESCRIPTION | FEES |
|--|--------------------|
| License: | |
| Resident insurance producer, biennially | \$60 |
| Nonresident insurance producer, biennially | 100 |
| Limited lines producer, biennially | 40 |
| Nonresident limited lines producer, biennially | 100 |
| Adjusters (one class of business), biennially | 30 |
| Adjusters (two or more classes of business), biennially | 50 |
| Surplus lines, biennially | 100 |
| Consultant, biennially | 100 |
| Customer service representative, biennially | 40 |
| Temporary license (producers only) | 20 |
| Duplicate license (producers and adjusters) | 1/2 of license fee |
| Filing organizational documents of an entity applying for license as insurance producer | 20 |
| Managing general agent, biennially | 60 |
| Apprentice adjuster (residents only, not to exceed 6 months and nonrenewable) | 20 |
| Variable insurance product producer, biennially | 60 |
| Motor service club, biennially | 40 |
| Emergency adjuster | 15 |
| Public adjuster, biennially | 30 |
| Car rental limited lines, one or two location, resident or nonresident | 40 |
| Car rental limited lines, three or more locations, resident or nonresident | 500 |
| Viatical settlement broker | 500 |
| Examination: | |
| Laws and one or more line of insurance | not to exceed 100 |
| Adjuster (one class of business) | not to exceed 20 |
| Adjuster (two or more classes of business) | not to exceed 40 |
| Others: | |
| Life, A&H study manual | 40 |
| Property/casualty study manuals | 40 |
| Administrative fee for submission of a change of legal name or address more than 30 days after the change occurred (producers and adjusters) | 50 |

PRODUCER LICENSING FEES

OREGON (12/22)

OAR 836-009-0007; 836-071-0560; 836-071-0355; 836-071-0425

| DESCRIPTION | FEES |
|--|---------------|
| Application for license: | |
| Resident agent | \$30 |
| Nonresident agent | 30 |
| Adjuster | 30 |
| Insurance consultant | 30 |
| Issuance for licenses or renewal: | |
| Resident agent | 45 |
| Nonresident agent | 45 |
| Adjuster | 45 |
| Insurance consultant | 45 |
| Self-service storage | 200 |
| Portable electronics | 200 |
| Vehicle rental | 200 |
| Third party administrators | 45 |
| Examination fees: | |
| Property and casualty agent | 55 |
| Property insurance only agent | 45 |
| Casualty insurance only agent | 45 |
| Personal lines insurance agent | 45 |
| Life insurance only agent | 45 |
| Health insurance only agent | 45 |
| Life and health insurance agent | 55 |
| General lines adjuster | 45 |
| Health insurance adjuster | 45 |
| Adjuster for any other line designated by rule | 45 |
| General lines consultant | 45 |
| Life insurance only consultant | 45 |
| Health insurance only consultant | 45 |
| Consultant for any other line designated by rule | 45 |
| Surplus lines agent | 45 |
| Reexamination | same as above |

Agents' fees may be paid by the agent or the company. Electronic fingerprints are required from each new resident applicant for an Oregon resident license. Fingerprinting must be done by PSI. An additional fee of \$56.25 is paid to PSI - \$15 for fingerprinting and \$41.25 for the Oregon State Police and the Federal Bureau of Investigation to complete the required background check.

PRODUCER LICENSING FEES

PENNSYLVANIA (12/22)

71 P.S. § 240.12A; 40 P.S. §§ 310.5; 310.8; 991.1615; 63 P.S. §§ 853; 1602.1; 1602.4

| DESCRIPTION | FEES |
|---|--------------------------|
| Insurance producers: Resident application and biennial renewal Nonresident application and biennial renewal Lapsed license renewal fee Certification, clearance, history, amended or duplicate license | \$55 110 165 25 |
| Surplus lines agent: Initial license Biennial renewal Lapsed license renewal fee | 200 200 400 |
| Manager or exclusive general agents: License and annual renewal for manager or exclusive general agent for domestic insurance company | 400 |
| Motor vehicle physical damage appraiser: Initial license Annual renewal | 55 55 |
| Public adjusters: Initial license Renewal Lapsed license renewal fee | 200 200 400 |

PRODUCER LICENSING FEES

PUERTO RICO (12/22)

26 L.P.R.A. § 701; Department website

| DESCRIPTION | FEES |
|---|-------------|
| Producers with an appointment as authorized representative license: | |
| Individual, each year | \$157 |
| Corporation or partnership, each year | 315 |
| Nonresident authorized representative, each year | 841 |
| General agent's license: | |
| Representing two or fewer insurers | 1051 |
| Representing more than two insurers | 5257 |
| Managing general agent license: | |
| Representing two or fewer insurers | 1051 |
| Representing two or more insurers | 5257 |
| Producer's license: | |
| Resident producer individual license, each year | 525 |
| Corporation or partnership with a premium volume: | |
| Less than \$1 million | 1051 |
| More than \$1 million | 2103 |
| Nonresident broker | 841 |
| Surplus lines broker | 525 |
| Solicitor's license, each year | 52 |
| Adjuster's license: | |
| Independent adjuster, each year | 210 |
| Viatical settlements: | |
| Viatical settlement producer | 1051 |
| Viatical settlement investment agent | 1051 |
| Viatical settlement provider | 2103 |
| Insurance consultant's license, each year | 420 |
| Examination of license: | |
| Agent, broker, solicitor, adjuster, consultant, attorney-in-fact, and temporary license | 150 |
| License of attorney-in-fact | 105 |

License fees may be paid by the company or agent.

PRODUCER LICENSING FEES**RHODE ISLAND (12/22)**

§§ 27-2.4-4; 27-10-3; 27-10-6; 27-10.1-1; 27-20.7-14; 27-51-3; 27-2.7-7; 230-RICR-20-50-2; 230-RICR-20-50-5; Bulletin 2003-15

| DESCRIPTION | FEES |
|--|---------------------------|
| Producers' fees (life, accident and health and sickness, property, casualty, variable life and annuity, personal lines, title, and all limited lines of authority): | |
| Resident producer initial two-year license and biennial renewal (includes \$5 per year continuing education tracking fee) | \$120/55 per year |
| Nonresident producer initial two-year license and biennial renewal (includes \$5 per year retaliatory fee and \$5 continuing education tracking fee) | 130/60 per year |
| Reciprocal continuing education course submission fee | 60 |
| Non-reciprocal continuing education course submission fee | 60 + 75 course review fee |
| Continuing education course provider initial registration fee | 100 |
| Continuing education provider registration renewal fee | 50 |
| Insurance claims adjuster: | |
| Initial two-year license and biennial renewal – resident and nonresident | 250 |
| Motor vehicle damage appraiser: | |
| Initial two-year license fee and biennial renewal – resident and nonresident | 150 |
| Surplus lines broker: | |
| Initial two-year license and biennial renewal – resident and nonresident | 100/50 per year |
| Third party health insurance administrator: | |
| Certificate of authority or waiver – resident and nonresident | 250 |
| Annual filing fee | 250 |
| Reinsurance intermediaries– | |
| Initial two-year license and biennial renewal | 200/100 per year |
| Portable electronic vendor: | |
| Initial two-year license and biennial renewal | 200 |
| Miscellaneous services: | |
| Returned check fee | 25 |
| Reinstatement (additional one-year license fee) | 50 |
| Adding a line of authority fee | 50 |

PRODUCER LICENSING FEES

SOUTH CAROLINA (12/22)

§§ 38-43-80; 38-43-100; 38-43-500; 38-45-20; 38-45-30; 38-47-30; 38-48-50; 38-49-20; 38-90-20; 38-90-440; Bulletin 92-5

| DESCRIPTION | FEES |
|--|--|
| Producer's fees: | |
| License fee (except travel baggage), biennially | \$25 |
| Additional fee to add a new qualification to existing producer license | 25 |
| Producer, appointment fee (biennially by the insurer) | 40 |
| General or special agent, biennially | 100 |
| Agency, biennially | 40 |
| Travel baggage appointment (biennially by the insurer) | 20 |
| Rental car agency, biennially | 40 |
| Adjuster's license, biennially (retaliatory) | 80 |
| Motor vehicle physical damage appraiser, biennially (retaliatory) | 80 |
| Public adjuster license, biennially (retaliatory) | 80 |
| Broker biennial fee (retaliatory) | 200 |
| Captive insurance company: | |
| Application fee | 200 |
| License | 300 |
| Annual renewal | 500 |
| Processing fee (fee determine appropriate by the director of insurance) | 4000 |
| Special purpose financial captives: | |
| License | 300 |
| Annual renewal | 500 |
| Annual review fee | 2400 |
| Processing fee (based on hourly fee) | or if higher, the actual cost Minimum 12000 |

PRODUCER LICENSING FEES

SOUTH DAKOTA (12/22)

§§ 58-2-29; 58-30-121; 58-30-211

| DESCRIPTION | FEES |
|--|-------------|
| Resident insurance producers and solicitors license fees: | |
| Original license, regardless of which line/lines | \$25 |
| Temporary license | 10 |
| Nonresident producer license: | |
| Original license | 30 |
| Biennial renewal (reciprocal, but never less than \$50) | 50 |
| Limited license as resident producer: | |
| Travel accident | 25 |
| Limited line credit insurance | 25 |
| Resident corporation or partnership license: | |
| Original license | 25 |
| Nonresident corporation or partnership license: | |
| Original license | 30 |
| Surplus line broker's license: | |
| Application for original license | 50 |
| Biennial renewal of license | 100 |
| Continuing education fund: | |
| Resident producers pay for each 24-month period/last day of birth month. | 20 |
| Examination: | |
| License, each examination and each time taken | 10 |

PRODUCER LICENSING FEES

TENNESSEE (12/22)

§§ 56-6-101 to 56-6-126; 56-14-104; 56-35-110

| DESCRIPTION | FEES |
|---|-------------|
| Producers: | |
| Insurance producers application filing fee | \$50 |
| Producers license renewal fee (biennial) | 60 |
| Surplus lines agent (biennial) | 120 |
| Title insurance agency: | |
| Application for certificate of authority | 110 |
| Limited lines producers: | |
| Application filing fee | 50 |
| Renewal fee (biennial) | 30 |
| Producers appointments: | |
| Appointment fee (paid by company only) | 15 |
| Termination fee (paid by company only) | 15 |
| Travel insurance supervising entity: | |
| Initial application | 750 |
| Renewal application | 750 |

PRODUCER LICENSING FEES

TEXAS (12/22)

28 TAC 19.802; TIC § 7001.006; *See also* <http://www.tdi.texas.gov/agent>

| DESCRIPTION | FEES |
|---|-------------|
| General lines - life, accident and health: | |
| Provisional permit – in addition to the application fee | \$50 |
| Original application | 50 |
| Renewal | 50 |
| Additional appointment | 10 |
| *Qualifying examination | 43 |
| Life: | |
| Provisional permit – in addition to the application fee | 50 |
| Original application | 50 |
| Renewal | 50 |
| Additional appointment | 10 |
| *Qualifying examination | 33 |
| General lines - property and casualty: | |
| Provisional permit – in addition to the application fee | 50 |
| Original application | 50 |
| Renewal | 50 |
| Additional appointment | 10 |
| *Qualifying examination | 43 |
| Personal lines: | |
| Original application | 50 |
| Renewal | 50 |
| Additional appointment | 10 |
| *Qualifying examination | 33 |
| Funeral prearrangement life: | |
| Provisional permit – in addition to the application fee | 50 |
| Application fee | 50 |
| Renewal fee | 50 |
| Additional appointment | 10 |
| Life insurance not exceeding \$25,000: | |
| Provisional permit – in addition to the application fee | 50 |
| Original application fee | 50 |
| Renewal | 50 |
| Additional appointment | 10 |

TEXAS (cont.)

PRODUCER LICENSING FEES

TEXAS (cont.)

28 TAC 19.802; TIC § 7001.006; *See also* <http://www.tdi.texas.gov/agent> (cont.)

| DESCRIPTION | FEES |
|--|----------------------------|
| County mutual: Provisional permit – in addition to the application fee Application fee Renewal fee Additional appointment | \$50 50 50 10 |
| Insurance adjuster (all lines, property and casualty, or worker’s compensation): Original application Renewal *Qualifying examination for property and casualty and all lines *Qualifying examination for workers’ compensation Original application for emergency license | 50 50 43 43 20 |
| Limited lines: Original application Renewal Additional appointment *Qualifying examination | 50 50 10 23 |
| Insurance service representative: Original application Renewal Appointment of a currently licensed insurance service representative *Qualifying examination | 50 50 10 43 |
| Managing general agent: Original application Renewal Additional appointment *Qualifying examination | 50 50 10 43 |
| Specialty licenses (includes rental, credit, portable electronic vendor, travel and storage facility): Original application, per authority Renewal fee Additional appointment | 50 50 10 |

TEXAS (cont.)

PRODUCER LICENSING FEES

TEXAS (cont.)

28 TAC 19.802; TIC § 7001.006; *See also* <http://www.tdi.texas.gov/agent> (cont.)

| DESCRIPTION | FEES |
|---|------------------|
| Surplus lines agent: Original application Renewal *Qualifying examination | \$50 50 23 |
| Title insurance agent: Original application Renewal Additional appointment | 50 35 16 |
| Title insurance escrow officer: Original application Renewal Additional appointment | 35 35 10 |
| Title direct operation license: Original application Renewal | 50 35 |
| Risk manager: Original application Renewal *Qualifying examination | 50 50 33 |
| Life and health insurance counselor: Original application Renewal *Qualifying examination | 50 50 43 |
| Reinsurance intermediary: Original application Renewal | 500 500 |
| Public adjusters: Original application Renewal *Qualifying examination | 50 50 33 |

TEXAS (cont.)

PRODUCER LICENSING FEES

TEXAS (cont.)

28 TAC 19.802; TIC § 7001.006; *See also* <http://www.tdi.texas.gov/agent> (cont.)

| DESCRIPTION | FEES |
|---|------|
| Full time home office salaried employees (no exam for registration): | |
| Application fee | \$50 |
| Discount health care program operator (registration): | |
| Application fee | 1000 |
| Renewal | 500 |
| Temporary license: | |
| In addition to the original license application fee | 100 |

*Texas contracts with an examination vendor to administer qualifying examinations. The exact fee may differ from what is listed above according to the contract. (I.C. § 4002.052)

UTAH (12/22)

U.A.C. R590-102-12; R590-102-14; R590-102-22; *See also* <https://insurance.utah.gov/licensee/producers/fees>

| DESCRIPTION | FEES |
|---|-------|
| Licenses (<i>electronic commerce dedicated fee is included</i>): | |
| Producer’s license, biennially | \$75 |
| Individual consultant’s license, biennially | 75 |
| Third party administrator license, biennially | 75 |
| Individual adjuster’s license, biennially | 75 |
| Limited lines license | 50 |
| Additional line of authority | 25 |
| Managing general agent license, per year | 75 |
| Reinsurance intermediary , biennially | 75 |
| Agency license , biennially | 85 |
| Title agency resident-only | 1000 |
| Fingerprinting (+ \$6 <i>Prometric processing fee</i>) | 28.25 |

PRODUCER LICENSING FEES

VERMONT (12/22)

8 V.S.A. §§ 4488; 4791; 4800; 4813; 4836

| DESCRIPTION | FEES |
|--|------|
| Licenses: | |
| Producer license, biennially renewed on odd year | \$30 |
| Limited lines, producer license, biennially renewed on odd year | 30 |
| Adjusters, biennially renewed on even year | 120 |
| Public adjusters, biennially renewed on even year | 200 |
| Consultants license, biennially renewed on even year | 200 |
| Surplus lines brokers license, biennially renewed on even year | 400 |
| Appraiser license, biennially renewed on even year | 120 |
| Reinsurance intermediaries license, biennially renewed on even year | 200 |
| Business entities license, biennially renewed on odd year | 30 |
| Limited lines business entity producer license, biennially renewed on odd year | 150 |
| Managing general agents appointment license, biennially renewed on odd year | 300 |
| Life settlement brokers license, biennially renewed on even year | 100 |

PRODUCER LICENSING FEES

VIRGIN ISLANDS (12/22)

22 V.I.C. § 601; Bulletin 2018-04; *See also* <https://ltg.gov.vi/departments/banking-insurance-and-financial-regulation/#1546768965413-8a2ec2a6-3e58>

| DESCRIPTION | FEES |
|---|-------------|
| Producer’s and solicitor’s licenses – issuance only: | |
| Resident issuance | \$400 |
| Resident renewal | 200 |
| Nonresident issuance | 700 |
| Nonresident renewal | 400 |
| Filing of appointment of agent for service of process | 25 |
| Managing general agent: | |
| Issuance | 850 |
| Renewal | 450 |
| Adjuster’s license (independent and public): | |
| Issuance | 500 |
| Renewal | 250 |
| Emergency independent adjuster | 300 |
| Nonresident public adjuster: | |
| Issuance | 500 |
| Renewal | 250 |
| Examination for license, each examination | 50 |
| Surplus lines carrier approval: | |
| Certification | 600 |
| Recertification | 350 |
| Surplus lines broker: | |
| Issuance | 500 |
| Renewal | 500 |
| Medical air representatives: | |
| Issuance | 150 |
| Renewal | 150 |

PRODUCER LICENSING FEES**VIRGINIA (12/22)**

§§ 38.2-1348;; 38.2-1819; 38.2-1840; Department website

| DESCRIPTION | FEES |
|---|-------------|
| Producer's license (varies from \$15 to \$30) | \$15 |
| Consultant application fee | 15 |
| Reinsurance intermediaries (varies from \$500 to \$1,000) biennial renewal | 500 |
| Managing general agents (varies from \$500 to \$1,000) biennial renewal | 500 |

WASHINGTON (12/22)

§§ 48.14.010; 48.15.070; 48.17.170; 48.102.021; 48.56.030; WAC 284-97-030; 284-17B-015; 284-17B-025; 284-17-035; 284-17-046

| DESCRIPTION | FEES |
|--|-------------|
| Producers' licenses: | |
| License application (Subject to the additional \$5 filing fee.) | \$55 |
| License renewal, every two years | 55 |
| If renewal received 1-30 days late | 82.50 |
| If renewal received 31-60 days late | 110 |
| If renewal received after 60 days, license must be reinstated | 165 |
| Limited license application and renewal, every two years (Subject to the additional \$5 filing fee.) | 20 |
| If renewal received 1-30 days late | 30 |
| If renewal received 31-60 days late | 40 |
| If renewal received after 60 days, license must be reinstated | 60 |
| Surplus line broker: | |
| License application | 200 |
| License renewal, every two years | 200 |
| If renewal received 1-30 days late | 300 |
| If renewal received 31-60 days late | 400 |
| If renewal received after 60 days, license must be reinstated | 600 |
| Adjusters' licenses: | |
| Adjuster application (Subject to the additional \$5 filing fee.) | 50 |
| Renewal, every two years | 50 |
| If renewal received 1-30 days late | 75 |
| If renewal received 31-60 days late | 100 |
| If renewal received after 60 days, license must be reinstated | 150 |

WASHINGTON (cont.)

PRODUCER LICENSING FEES

WASHINGTON (cont.)

§§ 48.14.010; 48.15.070; 48.17.170; 48.102.021; 48.56.030; WAC 284-97-030; 284-17B-015; 284-17B-025; 284-17-035; 284-17-046 (cont.)

| DESCRIPTION | FEES |
|--|--|
| Appointment/affiliations: Initial appointment or affiliation Renewal, every two years | \$20 20 |
| Managing general agent: Appointment, every two years | 200 |
| Reinsurance intermediary license: Reinsurance intermediary - broker, each year Reinsurance intermediary - manager, each year | 50 100 |
| Premium finance company: License Annual renewal fee (as of May 1) | 100 100 |
| Specialty producer license: Original license fee Annual renewal fee (prior to July 1 each year) If renewal received 1-30 days late If renewal received 31-60 days late If renewal received after 60 days, license must be reinstated. Appointment fee, every two years Affiliation fee | 500 250 375 500 20 20 |

WASHINGTON (cont.)

PRODUCER LICENSING FEES

WASHINGTON (cont.)

§§ 48.14.010; 48.15.070; 48.17.170; 48.102.021; 48.56.030; WAC 284-97-030; 284-17B-015; 284-17B-025; 284-17-035; 284-17-046 (cont.)

| DESCRIPTION | FEES |
|---|-------------|
| Rental car agent: | |
| *Original license fee, for business with under 50 employees | \$130 |
| *Original license fee, for business with 50 or more employees | 375 |
| *Appointment fee, for each underwriting insurer | 20 |
| *Renewal fee, every two years, under 50 employees | 130 |
| *If renewal received 1-30 days late | 195 |
| *If renewal received 31-60 days late | 260 |
| If renewal received after 60 days, license, appointment and affiliation must be reinstated. | |
| *Renewal fee, every two years, 50 or more employees | 375 |
| *If renewal received 1-30 days late | 562.50 |
| *If renewal received 31-60 days late | 749.75 |
| If renewal received after 60 days, license, appointment and affiliation must be reinstated. | |
| Life settlement broker: | |
| Original license fee | 100 |
| Renewal fee (every two years) | 100 |
| If renewal received 1-30 days late | 150 |
| If renewal received 31-60 days late | 200 |
| If renewal received after 60 days, license must be reinstated. | 300 |
| Affiliation fee, every two years | 20 |
| Self-service storage producer: | |
| *Original license fee, for businesses with under 50 employees | 130 |
| *Original license fee, for businesses with 50 or more employees | 375 |
| *Renewal, every two years, for businesses with under 50 employees | 130 |
| *Renewal, every two years, for business with 50 or more employees | 375 |
| *Appointment fee, every two years | 20 |

* Plus \$35 location fee for each additional location.

PRODUCER LICENSING FEES

WEST VIRGINIA (12/22)

§§ 33-12-6; 33-12-10; 33-12B-8; 33-24-4; 33-12C-8; 33-22-2; 33-23-29; 33-3-13

| DESCRIPTION | FEES |
|---|------|
| Producer's fees: | |
| Nonprofit service corporation agents license | \$25 |
| Agent's license | 25 |
| Solicitor's license (renewals only) | 25 |
| Adjuster's license | 25 |
| Surplus lines licensee | 200 |
| Business entity | 200 |
| Fraternal agents | 50 |
| Farmers' mutual fire insurance company agents | 5 |
| Company appointments: | |
| Company appointment | 25 |
| Annual renewal appointment | 25 |
| Miscellaneous services: | |
| Letter of certification | 5 |
| Letter of clearance | 10 |
| Duplicate license | 5 |

PRODUCER LICENSING FEES

WISCONSIN (12/22)

§§ 632.69; 601.31; Wis. Admin. Code Ins. 6.57 to 6.59; 6.63

| DESCRIPTION | FEES |
|---|--------------------------|
| Agent's license: | |
| Resident biennial license renewal (may be paid by agent or company) | \$35 |
| Nonresident biennial license renewal (may be paid by agent or company) | 70 |
| Application or examination fees, resident and nonresident | 75 per line of authority |
| Intermediary firm such as insurance intermediary, reinsurance intermediary or managing general agents: | |
| Application fee for a corporation, association, partnership, LLC, LLP or other legal entity | 100 |
| Biennial license renewal (even numbered years) for resident firms | 35 |
| Biennial license renewal (even numbered years) for nonresident firms | 70 |
| Reinsurance intermediary individual: | |
| Application fees | 75 |
| Biennial resident regulation fee | 35 |
| Biennial nonresident regulation fee | 70 |
| Surplus lines: | |
| Application fee | 100 |
| Annual regulation fee | 100 |
| Life settlement broker license: | |
| Initial application fee | 750 |
| Annual regulation fee | 250 |
| Annual appointment fee: | |
| Resident individual intermediary – agents | 16 |
| Nonresident individual intermediary – agents | 30 |

PRODUCER LICENSING FEES

WYOMING (12/22)

§§ 26-4-101; 26-9-231; 26-47-113; 26-9-206; 26-9-219; 26-53-103

| DESCRIPTION | FEES |
|--|-------------|
| Producers: | |
| Application for original resident producer's license and issuance of license, if issued | \$100 |
| Temporary license, application fee, and issuance, if issued | 10 |
| License under waiver of residency requirement pursuant to a reciprocal agreement, application fee and issuance | 150 |
| Continuation of license, resident | 100 |
| Continuation of license, nonresident | 150 |
| Fingerprint fee, resident | 39 |
| Appointment of agent: | |
| Each producer or agent | 15 |
| Limited lines producers: | |
| Application for original individual license and issuance | 20 |
| Continuation of license | 20 |
| Application for original business entity license and issuance of license, if issued | 100 |
| Continuation of business entity license | 100 |
| Surplus line brokers: | |
| Resident application for original license and issuance of license, if issued | 100 |
| Resident continuation of license | 100 |
| Nonresident application for original license and issuance of license, if issued | 100 |
| Nonresident continuation of license | 150 |
| Adjusters: | |
| Resident application for original license and issuance of license, if issued | 100 |
| Resident continuation of license | 100 |
| Nonresident application for original license and issuance of license, if issued | 100 |
| Nonresident continuation license | 150 |
| Nonresident DHS and resident fingerprint fee | 39 |

WYOMING (cont.)

PRODUCER LICENSING FEES

WYOMING (cont.)

§§ 26-4-101; 26-9-231; 26-47-113; 26-9-206; 26-9-219; 26-53-103 (cont.)

| DESCRIPTION | FEES |
|---|-------------|
| Insurance consultant for hire: | |
| Resident original license, if issued | \$100 |
| Resident continuation of license | 100 |
| Nonresident original license, if issued | 100 |
| Nonresident continuation of license | 150 |
| Third party administrators: | |
| Biennial fee | 200 |
| Reinsurance intermediary: | |
| Biennial fee | 100 |
| Multiple employer welfare arrangement: | |
| Annual license or renewal | 500 |
| Continuing education - payable at time of license renewal | 30 |
| Beginning in 2005, the department began biennial renewals. | |

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.

RETALIATORY TAXES AND FEES

Case Law

I. Constitutionality of the Tax

State Bd. of Ins. v. Todd Shipyards Corp., 370 U.S. 451 (1962). This case involved the challenge of a premium tax levied by the State of Texas on a policy issued to a New York corporation by an insurer that was not licensed to do business in Texas, maintained no offices in Texas and had no agents in Texas. The only connection between the state and the insurance transaction was the fact that the insured property was located in Texas. The Supreme Court determined that the contacts with the state of Texas in this instance were insufficient to justify the imposition of the tax under the Due Process Clause.

W. & S. Life Ins. Co. v. State Bd. of Equalization of Cal., 451 U.S. 648 (1981). An Ohio insurer challenged the constitutionality of the California retaliatory tax imposed on it, stating that it violated the Commerce and Equal Protection Clauses of the U.S. Constitution. The Court rejected the Commerce Clause argument, stating that the McCarran-Ferguson Act removed entirely any Commerce Clause restriction on California's power to tax the insurance business. As to the Equal Protection argument, the Court reviewed numerous decisions and reiterated the conclusion that any difference in treatment must bear a rational relation to a legitimate state purpose. The legislative purpose of California's retaliatory law is to promote the interstate business of domestic insurers by deterring other states from enacting discriminatory or excessive taxes. The statute is constitutional.

Metropolitan Life Ins. Co. v. Comm'r of the Dep't of Ins. of N.D., 373 N.W.2d 399 (N.D. 1985). Several appeals were consolidated before the North Dakota Supreme Court wherein Plaintiff urged that the pre-1983 version of the 2.5% gross premium tax, exempting domestic insurance companies and thereby violating the equal protection components of the state and federal constitutions, was unconstitutional. Sixteen Plaintiffs requested damages and refunds to the taxes they had paid. The North Dakota Supreme Court agreed that the statute violated the Equal Protection Clauses of the state and federal constitutions and ruled the statute unconstitutional but denied the insurance companies' request for damages and refunds. The North Dakota Supreme Court listed several previous rulings giving only prospective application of judicial rulings in order to avoid the imposition of undue administrative or financial burdens on agencies of government.

Metropolitan Life Ins. Co. v. Ward, 470 U.S. 869 (1985). Plaintiff filed suit requesting judgment that the Alabama statute imposing a lower gross premium tax rate on domestic insurance companies was unconstitutional. The Court ruled Alabama's purpose was the sort of "parochial discrimination" that the Equal Protection Clause was intended to prevent. The Court reversed the lower court stating that promotion of domestic business by imposing a discriminatory tax against nonresident competitors, and that encouraging investment in state assets and securities through imposition of a discriminatory tax are not legitimate state purposes under the Equal Protection Clause. Under the Alabama statute, foreign insurance companies could reduce the differential in gross premium taxes paid by investing prescribed percentages of their world-wide assets in specified Alabama assets and securities, but they could never reduce their gross premiums tax rate to the same level paid by comparable domestic companies.

South Dakota v. Am. Bankers Ins. Co., 374 N.W.2d 609 (S.D. 1985). American Bankers, a Texas corporation, assumed ownership of some policies insuring residents of South Dakota incidental to the acquisition of Mid-American Insurance Co. American Bankers was not licensed in South Dakota. It continued to collect premiums and pay claims on these policies.

The State Division of Insurance informed American Bankers that it was to pay tax on the premiums it collected on policies from South Dakota. The Supreme Court found that the statute was unconstitutional because it imposed a higher tax on insurers in American Bankers situation than on other insurers.

Penn Mut. Life Ins. Co. v. Dep't of Licensing & Regulation, 412 N.W.2d 668 (Mich. Ct. App. 1987). Michigan had a tax scheme for insurers that required domestic insurers to pay a single business tax on income and foreign insurers to pay a premium tax. It was undisputed that the foreign insurers had a greater tax burden. The issue was whether this treatment violated the Equal Protection Clause. The purpose of making insurance coverage more available was a legitimate purpose; the taxing scheme was, however, not rationally related to that purpose. The tax scheme was found unconstitutional.

Principal Mut. Life Ins. Co. v. Alaska, 780 P.2d 1023 (Alaska 1989). Principal filed this action requesting a refund of taxes paid under the former law because the Alaska tax statute violated the Equal Protection Clauses of both the federal and Alaska constitutions by imposing higher taxes on foreign companies than domestic companies. This discrimination lacks any legitimate state purpose. However, the taxes were not paid under protest, so will not be refunded.

Gallagher v. Motors Ins. Corp., 605 So. 2d 62 (Fla. 1992). Plaintiffs sought a declaratory judgment that the premium tax scheme was unconstitutional and demanded full refund. The Court found that the trial court's reading of *Metropolitan Life Ins. Co. v. Ward* was too broad and upheld the statute. The Court found that the tax schemes were similar but that "1) the purpose advanced by the state of acquiring a greater degree of regulatory control over insurance companies is a legitimate state purpose and 2) the legislature could have believed that the differential tax treatment would have the effect of causing a company to change its state of domicile and therefore increase the state's ability to regulate such companies." The Court explained that the purpose of the retaliatory tax was to promote the interstate business of domestic insurers by deterring other states from enacting discriminatory or excessive taxes.

Pacific Mut. Life Ins. Co. v. State Bd. of Equalization, 49 Cal. Rptr. 2d 99 (Ct. App. 1996). As a result of Proposition 103, the legislature adopted a new statute setting forth standards for adjustment of insurance premium tax. The Court affirmed the constitutionality of Cal. Rev. & Tax Code § 12202.1 and reviewed the methods used by the Board of Equalization to adjust the rates.

Alabama v. Ala. Municipal Ins. Corp., 730 So. 2d 107 (Ala. 1998). Insurers challenged the constitutionality of tax credits in favor of property and casualty companies. The law being challenged had been enacted as a direct result of the decision in the *Metropolitan Life v. Ward* case cited above. All insurers were taxed at a rate of 3.6% on property and casualty insurance premiums under the new system. The plaintiffs allege that the new law contains unconstitutional tax credits for having an office in the state and making real property investments in the state. The Court held that it was not clear beyond a reasonable doubt that the credits were unconstitutional. They do not violate the Equal Protection Clause of the Fourteenth Amendment because the legislature could reasonably have determined they would help reach the goals of encouraging investment in Alabama by all companies.

TIG Ins. Co. v. Dep't of Treasury, 602 N.W. 2d 839 (Mich. Ct. App. 1999). In 1987 the premium tax scheme used in Michigan was found unconstitutional. (See *Penn Mut.* case above). The replacement for the tax found unconstitutional was a combination of the Single Business Tax charged to all Michigan business entities and a retaliatory tax. After implementing the new schedule, the department determined that revenues were falling significantly below projections, and the retaliatory tax provisions were amended to raise revenue. The Court of Claims held that the amendments were unconstitutional because the impetus for the sections was to raise revenue, rather than a desire to deter other states from discriminating against Michigan insurers. The Court of Appeals analyzed the changes to the law, which provided that payments to certain associations (guaranty associations, workers' compensation placement facility, etc.) were to be excluded from the calculation of burdens. The appeals court agreed that the change in the law was unconstitutional, because it was not enacted for a legitimate state purpose. After granting leave to appeal, the Michigan Supreme Court reversed the Court of Appeals and held that amendments under which payments made by foreign insurers to specified third-party associations were excluded from calculation of insurers' "burdens," for purposes of determining difference between burdens of conducting business in Michigan and other states, did not violate equal protection or taxing uniformity requirements. It concluded that the 1988 amendments of the retaliatory tax, which changed the tax calculation, are rationally related to the legitimate state purpose of promoting the interstate business of domestic insurers, the same legitimate purpose behind the retaliatory tax itself. *TIG Ins. Co. v. Dep't of Treasury*, 629 N.W.2d 402 (Mich. 2001).

Am. Fire & Casualty Co. v. N.J. Div. of Taxation, 868 A.2d 346 (N.J. Super. Ct. App. Div. 2005). Suit was filed challenging the Director of Taxation's calculation of retaliatory tax by a method that wholly recaptured or significantly reduced the benefit that foreign insurers received from a statutory cap on premium taxes. The Court rejected the Director's position and found that the Director's interpretation of the retaliatory tax statute and the premium tax cap statute was inconsistent with the legislature's intent and with the statutory scheme on insurance premium taxation. The Court also found that the Director's approach created an unjustifiable domestic preference in violation of the Equal Protection Clause of the U.S. Constitution.

Sun Life Assurance Co. of Canada v. Manna, 879 N.E.2d 320 (Ill. 2007). Sun Life challenged the Illinois retaliatory tax law, claiming that it violates the Foreign Commerce Clause of the U.S. Constitution as it applies to "alien" insurers not organized under the laws of the United States. Sun Life appealed an appellate court ruling affirming a circuit court's finding that the Illinois statute is not unconstitutional. The Supreme Court of Illinois ruled that the tax does not discriminate against alien insurers, and that even if such discrimination existed, the tax has a legitimate purpose to equalize tax burdens. The effect on foreign affairs is only incidental. The Court also ruled in favor of the Division of Insurance on the Commerce Clause issue, holding that the plain language of the McCarran-Ferguson Act demonstrates that Congress did not limit the states' ability to impose retaliatory taxes on alien corporations.

Council of Ins. Agents & Brokers v. Molasky-Arman, 522 F.3d 925 (9th Cir. 2008). A Nevada statute precluding insurers from finalizing policies in Nevada without a countersignature of a resident agent and payment of commission was held unconstitutional as a violation of the Privileges and Immunities clause of the Constitution. The Court of Appeals held the ability of licensed nonresident agents and brokers to conduct business on substantially equal terms with resident agents falls within the purview of the Privileges and Immunities clause. Furthermore, the statute is not closely related to the advancement of a substantial state interest. The Court rejected the Insurance Commissioner's argument that Nevada had a substantial interest in having a record of all transactions in order to collect premium tax, holding that the acquisition of records directly from nonresident agents and brokers is less restrictive than requiring the countersignature of a resident agent who must maintain the same transaction records under the statute.

Metropolitan Life Ins. Co. v. Kinsman, 747 N.W.2d 653 (S.D. 2008). Metropolitan Life Insurance Company, et. al. (MetLife) sued the Secretary of the Department of Revenue and Regulation for South Dakota and the Director of the South Dakota Division of Insurance alleging an unconstitutional tax structure on insurance premiums and annuity considerations. The state allows insurers to take a credit against premium taxes if the insurer has a principal or regional home office in South Dakota. Domestic insurers are required to have a principal place of business in South Dakota, while foreign insurers have the option to reside there and receive the credit. The Supreme Court of South Dakota rejected MetLife's claim that the structure discriminates against foreign insurers based on their residence, holding that an insurer's business decision determines whether it pays a higher tax, not an unequal statutory scheme. MetLife failed to prove that the scheme had no reasonable basis.

First Am. Title Ins. Co. v. Combs, 258 S.W.3d 627 (Tex. 2008). In this 5-4 decision, the Texas Supreme Court held that the state's retaliatory tax was constitutional. The Texas Department of Insurance (TDI) allowed independent agents to keep 85% of premiums collected on title insurance policies and remit the remaining 15% to the insurer. The petitioner insurers calculated retaliatory tax owed based on 100% of premiums (including the 85% retained by independent agents). In 1996, the Texas Comptroller adopted a new rule that limited the amount of premium that could be included in the calculation to the 15% actually retained by the insurer. The Court held that 85% of the premium tax is not "directly imposed" on the insurer, who is only responsible for writing a check drawn on money remitted by the agent. The Court also rejected the insurers' claim that the Comptroller's interpretation of the retaliatory tax scheme conflicts with the plain language of the premium and retaliatory tax provisions of the Insurance Code. Finally, the court ruled that the scheme did not violate the insurers' equal protection rights, as it had a legitimate state purpose and the Comptroller was reasonable to believe the classifications would promote that purpose.

Horizon Blue Cross v. New Jersey, 39 A.3d 228 (N.J. Super. Ct. App. Div. 2012). Horizon Blue Cross, a qualified health service corporation (HSC), argued that an amendment to New Jersey's tax code was unconstitutional because Horizon was the only HSC in the state and the amendment violated the Equal Protection and Due Process clauses. The amendment excluded HSCs from the rule that no insurance company shall be subject to taxation for taxable premiums that exceed 12.5% of total premiums collected by the company and affiliates on all policies and contracts of insurance. The court found the amendment met the rational basis standard, as the statute related to a legitimate government purpose. The amendment was rationally related to the goal of raising revenue in New Jersey to reduce a budget deficient and to eliminate a tax loophole that allowed HSCs to pay lower taxes than other health insurance carriers. Horizon also argued the amendment was a bill of attainder enacted to punish the HSC for failing to convert to for-profit tax status. The court found there was no clear indication from the legislative history that the amendment was adopted to punish Horizon. Rather, the amendment was adopted for the purpose of raising revenue for the state and correcting an inequity in the health insurance tax scheme.

II. What Amounts Are Subject to Tax

Harbor Ins. Co. v. Groppo, 544 A.2d 1221 (Conn. 1988). Harbor became licensed under Connecticut law and was charged, with its initial license, a tax based on the surplus lines business it had transacted in the state during the prior five years. The Court upheld the imposition of the tax, finding it was not an Equal Protection violation.

Ins. Comm’r of Md. v. Bankers Indep. Ins. Co., 606 A.2d 1072 (Md. 1992). Bankers Independent Insurance Company was a domestic insurer that insured risks outside the United States. The insurance commissioner assessed premium taxes on Bankers for its overseas business and this appeal ensued. The Court held that it was not double taxation to tax the insurer for premiums received for coverage outside the United States. The Court reversed and remanded with directions to affirm the Order of the Maryland Tax Court.

Lincoln Nat’l Life Ins. Co. v. State Bd. of Equalization, 36 Cal. Rptr. 2d 397 (Ct. App. 1994). Lincoln National Life (LNL), an Indiana corporation doing business in California, and Southern California Gas Co. (SCG) entered into an agreement wherein SCG would pay a premium for LNL to provide medical and dental benefits for SCG employees. On July 1, 1980, the agreement was modified and SCG became a self-funded plan with LNL as the provider of administrative services to the newly formed self-funded plan of SCG. SCG was liable to pay the claim up to a certain “trigger point” at which time LNL became liable for paying claims. LNL filed suit after the Board assessed taxes and denied redetermination of the assessed taxes on claims SCG paid under the modified agreement. The Court found in favor of LNL, ordering the Board to refund all gross premium taxes collected.

John Alden Life Ins. Co. v. Comm’r of Revenue, No. 6530, 1995 WL 590319 (Minn. Tax Ct. Oct. 3, 1995). At issue was whether the premium tax in Minnesota was applicable to premiums an insurance company received from HMOs. The Court held that the contracts between HMOs and insurance companies shift some of the risks to the insurance company and thereby constitute reinsurance, not direct business. Therefore, the premiums were not taxable.

Associated Electric & Gas Ins. Servs., Ltd. v. Clark, 676 A.2d 1357 (R.I. 1996). An insurer relied on the *Todd Shipyards* case to argue that it was not subject to premium tax on contracts of insurance covering risks located in Rhode Island; to do so would be a violation of due process. The Court found a significant difference, in that AEGIS had purposefully availed itself of the benefits of the economic market in Rhode Island, apparently by soliciting coverage by mail for the four major gas utilities in the state.

Dow Chemical Co. v. Rylander, 38 S.W.3d 741 (Tex. App. 2001). The Court compared the imposition of an independent procurement premium tax with the situation analyzed in the *Todd Shipyards* case and found strong similarities. In both cases the insurance covered property located in Texas that was owned by a foreign corporation. The insurance contracts were issued and delivered outside the state. None of the insurers involved had a license to do business in Texas. All the decisions were made outside of Texas. All the losses and premiums were payable outside of Texas. The Appellees urged the Court to apply a due process analysis to the tax on independently procured insurance, but the Court stated its intent to adhere to precedent in the face of a U.S. Supreme Court case directly on point.

Blue Cross Blue Shield of Minn., Inc. v. Comm’r of Revenue, 663 N.W.2d 531 (Minn. 2003). The issue in this case was whether premiums received by an insurer on stop-loss insurance policies were subject to a premium tax. Respondents, doing business as Blue Cross-Blue Shield of Minnesota, sold stop-loss policies to various employers who had self-funded their health care costs. The premium tax at issue was levied as a percentage of gross premiums less return premiums on all direct business received by the insurer. The question before the Court was whether stop-loss coverage was direct business. The Commissioner of Revenue argued that the premiums were not reinsurance, which covers an arrangement between two insurance companies. The term was not defined in Minnesota law, so the Court held that legislative intent could be considered. Since the legislature did not clearly indicate an intention to tax stop-loss coverage, the Court will not read into the statute an intent to tax.

The Texas Court of Appeals heard a tax case involving surplus lines taxes in *Strayhorn v. Lexington Ins. Co.*, 128 S.W. 3d 772 (Tex. App. 2004). The dispute arose over the issue of whether three surplus lines insurance companies owed premium taxes on certain of their issued policies. Texas levies an unauthorized insurance premium tax, but it does not apply to “eligible” surplus lines carriers, which appellees contend they are. The statute required eligible surplus lines insurers to act through licensed Texas surplus lines agents, so the stat argued that the issuance of the subject policies was unauthorized and made them liable for the tax. The court concluded that surplus lines insurers who do not place surplus lines insurance through a licensed Texas surplus lines agent are not lawfully transacting surplus lines insurance. These insurers have engaged in unauthorized insurance and thus become “unauthorized insurers” that are liable for the tax imposed on unauthorized insurers.

Home Ins. Co. v. Pennsylvania, 909 A.2d 804 (Pa. 2006) *dismissing exceptions filed and making final the order entered in* Nos. 256 FR 2002, 257 FR 2002, 259 FR 2002 (May 13, 2005). In this unreported case the Commonwealth Court of Pennsylvania found that assessments made by the Commissioner of Labor and Industry for the New Jersey Second Injury Fund were in the nature of a fee for the privilege of writing workers’ compensation insurance in New Jersey. The Court upheld the Pennsylvania Department of Revenue’s inclusion of Second Injury Fund assessments in the calculation of retaliatory tax.

Blue Cross Blue Shield of Minn., Inc. v. Minn. Comprehensive Health Ass’n, 713 N.W.2d 41 (Minn. Ct. App. 2006). BCBSM paid annual assessments to MCHA from 1996 to 2002 for accident-and-health-insurance premiums it had collected. The calculation of the assessment included premiums collected for stop-loss insurance (coverage purchased by employers that self-ensure health-care costs for their employees rather than purchasing health insurance). In 2003, BCBSM claimed that stop-loss premiums should not be categorized as accident-and-health premiums. The statute giving MCHA authority to collect such assessments specifically excluded eight types of coverage from the definition of accident-and-health insurance. Stop-loss insurance is not one of the exceptions. The court ruled that the legislature was aware of the existence of stop-loss insurance, but nevertheless did not exclude it from the accident-and-health definition. This provides evidence that premiums for stop-loss insurance are properly included as accident-and-health premiums in calculating the annual assessment.

Premera Blue Cross v. Alaska Dep’t of Commerce, 171 P.3d 1110 (Alaska 2007). Premera Blue Cross requested a refund of excess retaliatory taxes to reflect amounts paid in 1995 and 1996 to two nonprofit institutions, the Alaska Comprehensive Health Insurance Association (ACHIA) and the Small Employers Health Reinsurance Association (SEHRA). The Director of the Division of Insurance denied the request, and the Superior Court affirmed that decision. This appeal to the Alaska Supreme Court raised several issues, including whether the retaliatory statute violates Alaska’s equal protection and substantive due process clauses and whether the Division properly excluded payments to ACHIA and SEHRA in the calculation of the retaliatory tax.

The Court ruled that imposition of the retaliatory tax on Premera fairly and substantially furthers the purpose of the statute, which is to equalize and lower taxes across all the states. In contesting the calculation, Premera argued that amounts paid to ACHIA and SEHRA should be considered in the aggregate tax basis for Alaska, which would reduce its retaliatory tax when compared with taxes, fees and licenses paid in Premera's home state of Washington. The court ruled that the amounts in question were levied by specially created non-profit institutions, whereas most taxes, licenses and fees are collected by the state. The Court agreed with the Division that payments to ACHIA and SEHRA are "other obligations" which, under the statute, are not included in the aggregate for purposes of calculating the tax.

In re N.Y. State Ins. Fund—Workers' Compensation Fund, No. 820589, 2007 WL 892508 (N.Y. Div. Tax App. Mar. 15, 2007). The New York State Insurance Fund did not include fees it charged for extended payment plans and finance charges as premiums. The Division of Taxation argued that the fees were part of the risk of insuring the customer and should have been included as premiums. The Division also asserted that insurance could be canceled if the fees were not paid. The State Insurance Fund argued that the fees were analogous to fees for returned checks and were not part of the risk of insurance. The Court ruled that the fees were not paid in consideration for an insurance contract and should not be considered taxable premiums.

Stewart Title Guar. Co. v. Comm'r of Revenue, No. 7754, 2008 WL 126590 (Minn. Tax Ct. Jan. 9, 2008). Stewart Title challenged an order of the Commissioner of Revenue determining that it was liable for premium taxes on an amount that included the portion of the title premium retained by the title insurance agent for abstracting work. The issue in the case was whether "gross premiums" should be interpreted to include the amount retained by the agent and not passed on to the insurer. The Tax Court held that this amount was in fact "received" by the insurer because the agents charged and received the entire premium under Stewart Title's express authority and direction. The Court rejected Stewart Title's argument that funds retained by its agents cannot be considered insurance premiums because an agent cannot cover risk of loss and cannot be an insurer. The agents' actions are in accordance with the agency agreements, and their collection of premiums is on behalf of Stewart Title. The decision was subsequently affirmed by the Supreme Court of Minnesota. *Stewart Title Guar. Co. v. Comm'r of Revenue*, 757 N.W.2d 874 (Minn. 2008).

Am. Nat'l Life Ins. Co. v. Dir. of Revenue, 269 S.W.3d 19 (Mo. 2008). American National sells stop-loss insurance policies to employers who maintain self-funded health benefit plans. The company reimburses the employer for large expenses over a specific amount. The Supreme Court affirmed the order of the Administrative Hearing Commission that stop-loss policy premiums are subject to direct premium tax. The Court defined "direct premiums received" as consideration paid by an insured to an insurer for a contract of insurance. The Court also held the statute does not violate the equal protection clauses of the federal and state constitutions, as it has a rational basis and all insurance companies are taxed on the direct premiums received.

Stewart Title Guar. Co. v. State Tax Assessor, 963 A.2d 169 (Me. 2009). Stewart Title, a national title insurance company, contracts with a Maine agent for title services such as searches and examinations. Stewart Title has paid Maine premium taxes based on total premiums less the amount it characterizes as "charges made by non-direct agents". In this action, the Maine Supreme Judicial Court overturned a lower court's decision that the legislature intended the term "gross direct premium" in the premium tax statute to include only the portion of payments that was specifically attributed to title insurance and that was received by Stewart Title. The Court looked to the legislative history and held that to treat the word "direct" in the term "gross direct premiums" as a word of limitation on the scope of the premium to be taxed is contrary to the purpose of revisions made to the statute throughout the years. The Court also rejected Stewart Title's claims of double taxation and that the statute is void due to vagueness.

Combs v. Metropolitan Life Ins. Co., 298 S.W.3d 793 (Tex. App. 2009). The sole issue in this case is whether dividends paid out to insureds from annual premiums for life insurance policies should be subject to the annual maintenance tax on gross premiums. The dividends at issue are applied to renewal premium payments at the option of the insured. The appellee insurance companies asserted the dividends were never “received” but were held by the companies in surplus before they were declared, remained with the companies after they were declared, and applied to the renewal premium. The Court of Appeals noted that a previous version of the statute provided for a tax on the total gross amount of all premiums received, but deducted any dividends applied to purchase paid-up additions to insurance. The Court found that where there is an express deduction for dividends used to purchase additional insurance, but not for dividends applied to renewal premium payments, it suggests the legislature did not intend to allow such dividends to be deducted. The dividends applied to reduce renewal premium payments are therefore “received” and are subject to premium and maintenance taxes.

Sun Life Assurance Co. v. Ins. Comm’r, No. 08A-12-005, 2010 WL 2991584 (Del. Super. Ct. 2010). In this case, the Superior Court of Delaware considered whether separate employer- and trust-owned life insurance policies issued pursuant to separate private placements may be aggregated or are required to be separated for purposes of the general premium taxing statute which calculates the tax rate on the basis of net premiums received per “case”. A 1998 revision to the definition of “case” removed the word “single” preceding “private placement”. Sun Life argued that the amendment was designed by the Legislature to secure a greater share of nationwide corporate-owned life insurance revenue by offering insurers the ability to aggregate multiple policies into one case to decrease tax liability. The Commissioner argued the amendment created no substantive change to the definition of “case”. Finding no legislative history to shed light on either equally plausible position, the Court was forced to adhere to the general rule of construction in favor of the taxpayer (Sun Life). On appeal to the Supreme Court of the State of Delaware, this decision was reversed. The Court noted that the revised statute referred to “a” private placement as opposed to “any” or “all” private placements. Furthermore, the synopsis to the amendment expressly stated the legislation made “technical and position changes”, which refutes Sun Life’s position that the change was material or substantial. *Sun Life Assurance Co. v. Ins. Comm’r*, 21 A.3d 15 (Del. 2010).

Silvers v. State Bd. of Equalization, 116 Cal. Rptr. 3d 355 (Ct. App. 2010). The Court of Appeal, Second District, California ruled in favor of surplus lines insurers in this “double taxation” case. Under the Insurance Code, surplus lines brokers (or the insured) are specifically subject to a 3% premium tax. The nonadmitted insurance company was also charged a 2.35% premium tax on the same policies for “doing business in” the state. The Court noted that a nonadmitted company that is legitimately providing surplus lines insurance is not licensed in California, may not have employees in California and must conduct all of its activities outside the state. The Court found the taxation scheme to be illogical, as the surplus lines tax specifically sanctions these transactions, but if the surplus lines insurer were “doing business in” California, the transaction would become an unlawful act.

In re Am. Zurich Ins. Co., Nos. 822840, 822841, 822842, 822843, 822849 & 822906 (N.Y. Div. Tax App. Oct. 14, 2010), www.dta.ny.gov/pdf/archive/Determinations/822840.det.pdf. The Division of Tax Appeals for the State of New York ruled that deductible reimbursements received by insurance companies from policyholders with workers’ compensation deductible policies did not constitute premiums for purposes of the insurance franchise tax. In such policies, the insurance company makes the initial payments to cover a loss; however, the policyholder has agreed to reimburse the insurance company up to the amount of the deductible endorsement. The New York Insurance Department had issued a circular letter requiring that all reimbursements from the insured should be declared as premium. However, the Division found that the insurer receives no discernible benefit from reimbursement other than restoration to its original cash position. Therefore, the reimbursements are not compensation constituting premiums.

UPS, Inc. v. Ind. Dep't of State Revenue, No. 49T10-0704-TA-24, 940 N.E.2d 870 (Ind. Tax Ct. Dec. 29, 2010). The Indiana Tax Court ruled that UPS was not required to include the income of its affiliated foreign reinsurance companies on corporate income tax returns for the state of Indiana. The court noted a statute providing there shall be no tax on the adjusted gross income of insurance companies subject to the state's premium tax. The Department of Revenue argued that the reinsurance companies were not subject to the premium tax, had not filed a premium tax return and had not paid any premium tax. The court held that whether or not the reinsurers were complying with the premium tax statute did not change the fact that they are subject to it under the plain meaning of the corporate income tax statute. On appeal, the Indiana Supreme Court reversed the Tax Court's decision and held the foreign affiliates could not show they were conducting business in the state, a necessary condition in order to be subject to the premium tax statute. *Ind. Dep't of Revenue v. UPS, Inc.*, 969 N.E.2d 596 (Ind. 2012).

Tenn. Indep. Colls. & Univs. Assoc. Benefit Consortium, Inc. v. Tenn. Dep't of Commerce & Ins., No. M2010-00629-COA-R3-CV, 2010 WL 5449825 (Tenn. Ct. App. 2010). The Court of Appeals of Tennessee at Nashville upheld the Tennessee Claims Commission's decision that a Multiple Employer Welfare Arrangement ("MEWA") was subject to the statutory imposition of premium taxes and that such statute was not preempted by the Employment Retirement Income Security Act ("ERISA"). ERISA has a broad preemption provision but has also been amended to subject MEWA's that are not fully insured to any law of any state which regulates insurance and is not inconsistent with ERISA. The Court held the applicable statute is specifically directed toward entities engaged in insurance and substantially affects the risk pooling arrangement between the insurer and the insured. The Court also rejected the MEWA's arguments that the statute was ambiguous and that the "contributions" of members should not be considered premiums.

Commerce & Indus. Ins. Co. v. Dep't of Treasury, 836 N.W.2d 695 (Mich. Ct. App. 2013). The Court of Appeals of Michigan examined Michigan and New York law to determine whether a New York insurer should include certain assessments in the base of premiums and fees for retaliatory purposes. The statutory assessments imposed by New York included a Workers' Compensation Board assessment, a Special Disability Fund assessment and a Reopened Cases Fund assessment. The plaintiff contended these three payments should be excluded from calculating the burden imposed by New York on foreign insurers, which would consequently reduce the plaintiff's Michigan retaliatory tax obligation. The plaintiff, seeking a refund of nearly \$2.8 million in taxes, filed for summary disposition and prevailed at the trial court level. On appeal, the Court rejected the plaintiff's argument that the three assessments were effectively imposed on the policyholders and that insurers doing business in New York are just a pass-through. The Court also ruled the assessments did not fall into an exclusion for charges that are similar to charges in Michigan for associations or facilities. The Court noted the three assessments were too specific and targeted to be considered parallel to a general Michigan statutory goal to lower the costs of otherwise insurable persons. The plaintiff appealed to the U.S. Supreme Court for a writ of certiorari and was denied on May 27, 2014. *Commerce & Indus. Ins. Co. v. Dep't of Treasury*, 134 S. Ct. 2672 (2014).

Companion Prop. & Casualty Ins. Co. v. Tennessee, No. M2014-00527-COA-R3-CV, 2015 WL 333598 (Tenn. Ct. App. Jan. 26, 2015), *appeal denied* (May 14, 2015). Two South Carolina insurance companies challenged their Tennessee retaliatory tax assessments. The Tennessee Claims Commission held that the Department of Commerce and Insurance did not calculate the South Carolina tax burden correctly because it did not include reimbursements received by the insurance companies from South Carolina's Second Injury Fund. The Department appealed, and the Court of Appeals found that the Department's calculation of the South Carolina tax burden was correct and reversed the decision of the Claims Commission.

Chartis Casualty Co. v. Tennessee, 475 S.W.3d 240 (Tenn. 2015). In separate actions, Pennsylvania-domiciled workers' compensation insurers doing business in Tennessee filed complaints seeking refund of retaliatory insurance taxes paid under protest. In each case, the Tennessee Claims Commission issued five identical judgments denying refunds. The central issue presented is whether Pennsylvania's surcharges or assessments for three Workmen's Compensation funds are imposed upon Tennessee-domiciled insurance companies doing business in Pennsylvania and, therefore, fall within Tennessee's retaliatory insurance premium tax statute. The Tennessee Claims Commission ruled in favor of the state and all of the Pennsylvania insurance companies appealed. The Court of Appeals affirmed, but on consolidated review, the Supreme Court reversed the decision and held that amended Pennsylvania workers' compensation statute directing that insurers collect assessments for three special funds from policyholders and remit those payments to the Department of Labor and Industry did not impose direct financial burden on Tennessee workers' compensation insurers doing business in Pennsylvania, as basis for imposing retaliatory insurance tax on Pennsylvania workers' compensation insurers doing business in Tennessee.

Myers v. State Bd. of Equalization, 240 Cal. App. 4th 722 (Ct. App. 2d 2015). This case addresses the issue of whether entities issuing health care service plans ("HCSPs") can be taxed as insurers under the California constitution. Plaintiff, taxpayer, filed a writ of mandamus and a declaratory judgment action to compel state officials to collect a gross premium tax from two entities, Blue Shield and Blue Cross (collectively, "the Blues"), as insurers, rather than the corporate franchise tax imposed on all other businesses. Taxpayer argued that the PPO products sold by the Blues, which constitute a majority of their business, are indemnity health insurance contracts, making them insurers. The Blues filed a demurrer seeking to dismiss the case, arguing that they were HCSPs under the Knox-Keene Act and not insurers. The trial court agreed, relying on the fact that, as HCSPs, the Blues were not subject to regulation by the Department of Insurance. On appeal, the Court of Appeal reversed that decision, finding that taxpayer's complaint contained sufficient facts to support that the Blues were insurers subject to the gross premium tax. Relying on two California Supreme Court cases, the Court held that the trial court should have looked beyond regulatory labels to determine whether a significant proportion of the Blues' business was based on indemnification.

Johnson & Johnson v. Dir., Div. of Taxation & Comm'r, 2019 WL 4658534 (N.J. Super. Ct. App. Div. 2019). Insurance premium tax due by taxpayer was based on all premiums for risks located within United States, and not solely on allocation of risks within taxpayer's home state, despite contention that imposing taxes on risks located outside of home state violated due process. The Tax Court of New Jersey found that even though risks were not all in taxpayer's home state, insurance premium tax was excise tax based on amount of premium paid to taxpayer's captive insurance subsidiary, and transactions for all United States policies were connected in some way to taxpayer's corporate management group in home state, either through negotiation, placement, issuance of premium payment, or receipt of claims payments.

On appeal to the Superior Court of New Jersey, Appellate Division, the Court reversed the lower court's decision. The Court examined the nature of the entity procuring the coverage as well as the intent of the Nonadmitted and Reinsurance Reform Act ("NRRRA") in creating a home state tax allocation rule. The subsidiary is a pure captive insurance company providing coverage exclusively to Johnson and Johnson. The plaintiff challenged the Director's position that the Legislature intended the home state rule, allowing New Jersey to collect 5% premium tax regardless of the location of exposure, to apply to independently procured insurance. The Court agreed with Johnson & Johnson, holding that the plain language of the state statute limited applicability to surplus lines insurers. The captive was not a surplus lines insurer and coverage was not procured from a surplus lines' agent. The Supreme Court of New Jersey affirmed the Appellate Division's decision in *Johnson & Johnson v. Dir., Div. of Taxation & Comm'r*, 244 N.J. 413 (N.J. 2020).

Health Net Life Ins. Co. v. Dept. of Revenue, No. TC 5371, 2021 WL 1731860, at *1 (Or. T.C., May 3, 2021). Health Net Life Insurance Company, plaintiff, was a Medicare Advantage (“MA”) health plan provider operating in Oregon. Plaintiff was considered an “insurer” under Oregon law and was required to file returns under ORS § 317.650. On September 13, 2017, Plaintiff made an estimated tax payment of \$100,000 to the Oregon Department of Revenue, Defendant. On March 29, 2018, Plaintiff filed an Oregon Insurance Excise Tax Return for 2017 and reported that it owed only the minimum tax of \$150. On June 8, 2018, Defendant sent Plaintiff a notice of deficiency that adjusted Plaintiff’s minimum tax liability under ORS § 317.090 to \$100,000 and imposed \$812 of interest, resulting in a net balance due of \$662. Plaintiff paid the \$662 and filed an amended Excise Tax Return on which it claimed a \$100,662 refund. Plaintiff argued that federal law preempted imposition of Oregon’s minimum tax on the amounts Plaintiff received from Centers for Medicare & Medicaid Services (“CMS”) and MA enrollees. Defendant denied Plaintiff’s refund claim and Plaintiff appealed Defendant’s decision. Both parties moved for summary judgment to determine whether the minimum tax under ORS § 317.090, as applied to MA organizations, is preempted by 42 U.S.C. § 1395w-24(g) (“MA Preemption Statute”).

The MA Preemption Statute provides that:

“No State may impose a premium tax or similar tax with respect to payments to [MA] Organizations under section 1395w-23 of this title or premiums paid to such organizations under this part.”

Both parties dispute the plain meaning of the phrase “premium tax.” To determine the meaning of “premium tax,” the court reviewed a similar preemption statute, the Federal Employees Health Benefit Plan (“FEHBP”) Preemption Statute. The FEHBP Preemption Statute provides that no tax or fee may be imposed on a carrier by any other governmental authority. The House Committee on the Budget released a report on October 16, 1990, stating that there would be a premium tax exemption on any payments made from the Employees Health Benefits Fund. The court held that when looking at the context of the FEHBP Preemption Statute and after considering guidance from Congress that the Oregon tax was similar to the taxes discussed in the FEHBP Preemption Statute and that ORS § 317.090 was preempted by 42 U.S.C. § 1395w-24(g).

Louisiana Health Serv. and Indem. Co. v. Louisiana Dep’t of Revenue, No. 9927D (La. Bd. Tax App.), (July 14, 2022). In its calculation of income tax credit, Louisiana Health Service and Indemnity Company (“Company”) included premium tax credit amounts in their calculation based on the “qualifying Louisiana Investment” which provides a tax credit for companies that do business with banks within the state, have real property located in the state, as well as hold mortgages on property located in the state. The Louisiana Department of Revenue stated that the credit for insurance premiums paid was limited to the actual cash amount paid to the state for the premium tax and should not include premium tax credit amounts. Company argued that investment credits should count as premium tax paid when determining the credit against the income tax. The Board of Tax Appeals disagreed and held that a deposit of the taxpayer's own cash in a Louisiana bank or the purchase of Louisiana immovable property to earn an investment credit, is not a payment of the premium tax. The Board also held that allowing the same credit for qualified Louisiana investments against the income tax would grant the taxpayer a "double" credit for the same investment by giving a credit against both the premium and income tax.

III. Calculation of Retaliatory Taxes

Republic Ins. Co. v. Oakley, 637 S.W.2d 448 (Tenn. 1982). Texas insurance companies filed action to recover retaliatory insurance taxes, penalties and interest. The Tennessee Supreme Court held that the Commissioner of Insurance properly imposed the retaliatory tax on the Texas insurance companies, as the Texas tax burden on Tennessee insurance companies is greater than the Tennessee tax burden on Texas insurance companies and, further, that credits allowable to insurance company taxpayers are not properly to be considered and a determination whether or not retaliatory taxes are called for is to be based solely upon a comparison of the basic tax rate of the two states in question.

United Servs. Auto. Ass'n v. Pennsylvania, 618 A.2d 1155 (Pa. 1992). USAA challenged the imposition of a retaliatory tax in addition to the premium tax. The Court ruled that premium taxes had been improperly assessed by the Board of Finance and Revenue and reversed the Board's ruling. The Court considered application of the Pennsylvania retaliation statute in a case where the other state has laws that vary widely based on investments. This requires a company-by-company analysis rather than a state-by-state analysis to determine whether taxes and fees assessed against the foreign insurer would be greater in the aggregate than taxes and fees imposed by a foreign state upon a like Pennsylvania company doing business in the foreign state.

In re Indus. Indemnity Co. v. Cooper, 611 N.E.2d 765 (N.Y. 1993). The Court upheld the lower court's ruling denying commercial rent or occupancy tax as a credit against the retaliatory tax assessed on the foreign insurer.

John Hancock Mut. Life Ins. Co. v. Comm'r of Revenue, 497 N.W.2d 250 (Minn. 1993). The Minnesota Supreme Court denied the insurer the right to include Minnesota Comprehensive Health Association assessments as credits for taxes paid both against its income tax liability and as a premium tax offset. The income tax law did not provide an offset, but the premium tax law did.

In re N.Y. Life Ins. Co., Nos. 811031 & 811629, 1994 WL 715120 (N.Y. Div. Tax App. Dec. 12, 1994). New York Life filed a Petition for Redetermination requesting a refund of insurance company retaliatory taxes based upon the New York metropolitan transportation business tax surcharge paid to California, Connecticut, Illinois, Kansas, Michigan, Pennsylvania, and Tennessee. The Tax Appeals Tribunal held that retaliatory taxes paid to these states on the basis of the temporary metropolitan transportation business tax surcharge on insurance companies are eligible for the retaliatory tax credit and New York Life was entitled to a refund.

Dep't of Revenue v. Zurich Ins. Co., 667 So. 2d 365 (Fla. Dist. Ct. App. 1995). Zurich, an insurer domiciled in New York and authorized to do business in Florida, challenged a Florida regulation that, in part, provides that imposition of assessments by other states are comparable to the workers' compensation administrative assessment imposed by Florida, and should be included in the calculation of the retaliatory tax. The Court of Appeals invalidated the rule as an unlawful exercise of delegated authority. "The challenged rule enlarges or modifies the retaliatory tax statute by requiring Zurich to include the workers' compensation administrative assessment payable in New York, in contravention of the statutory exclusion of 'special purpose obligations or assessments imposed by another state in connection with particular kinds of insurance other than property insurance.'"

Prudential Prop. & Cas. Ins. Co. v. Bannon, 658 A.2d 567 (Conn. 1995). The Plaintiff filed this action arguing that New Jersey Unsatisfied Claim & Judgment Fund (UCJF) assessments are not “other obligations” that trigger retaliatory taxes. The state legislature added an amendment to the statute that said “special purpose assessments imposed in connection with particular kinds of insurance...” this made it clear that its original intent was that other states doing business in Connecticut would not have retaliatory tax imposed on special purpose assessments. It was never the legislative intent that the retaliatory tax base was to include special purpose assessments, therefore, the amendment was made retroactive to include tax years, 1982 through 1985. Judgment was reversed and remanded to the trial court for recalculation pursuant to the parties’ stipulation agreement.

First Am. Title Ins. Co. v. Strayhorn, 169 S.W.3d 298 (Tex. App. 2005). Foreign title insurance companies filed suit to recover retaliatory taxes that were assessed based on the Texas Comptroller’s interpretation that title insurance agents were required to pay a portion of the title insurance premium taxes due. Under the Comptroller’s calculation method, a title insurer can only count 15% of the premium tax as its financial burden in determining the amount of retaliatory taxes due. The Court upheld the Comptroller’s interpretation and ruled that application of the retaliatory tax in this manner did not violate the Equal Protection Clauses of the U.S. or Texas Constitutions because the distinction between the treatment of foreign and domestic insurers was reasonably related to the legitimate state purpose of deterring other states from imposing excessive taxes against Texas insurers.

Prudential Prop. & Cas. Ins. Co. v. Mich. Dep’t of Treasury, 725 N.W.2d 477 (Mich. Ct. App. 2006). Plaintiffs amended their tax returns to take the SBT credit (Single Business Tax) under Michigan law. The proper procedure was to calculate the tax under SBT and then create a twin hypothetical insurer from Michigan and calculate the tax under the home state of New Jersey. If the home state imposes a higher burden on the hypothetical Michigan company, then the insurer must pay that higher burden. The plaintiffs took the credit without doing the appropriate comparison. The court agreed with the plaintiffs that Michigan was in error to reject the entire credit, without substituting an allowable association payment credit. However, the plaintiffs did not properly assert this right when they opted to take the SBT credit instead of using the retaliatory tax scheme. Therefore, there was insufficient evidence to support the plaintiffs’ equal protection claim.

Am. Fire & Cas. Co. v. N.J. Div. of Taxation, 912 A.2d 126 (N.J. 2006). American Fire and Casualty Company and several foreign insurance companies challenged the Director of the Division of Taxation’s interpretation of the proper relationship between two statutes. The statutes in question are the retaliatory tax statute and the premium tax cap statute. New Jersey is the only state that has a premium tax cap statute. The goal of the premium tax cap statute is to encourage insurance companies to do business in New Jersey. The premium tax cap limited the taxable premiums to 12.5% of the company’s total premiums if the company collected at least 12.5% of its premiums in New Jersey. Companies are subject to the retaliatory tax if their home state’s tax rate is higher than New Jersey’s. The way the director interpreted the relationship between the statutes eliminated any benefit foreign insurers received from the premium tax cap. His interpretation was that the premium tax cap is calculated first, and that amount is considered premium taxes. Then the retaliatory tax is calculated by multiplying the company’s home state rate by their New Jersey premiums. The difference between the two amounts was the retaliatory tax. The plaintiffs agreed with calculation of the premium tax. However, they believed the retaliatory tax should be the difference between their home state’s rate and New Jersey’s rate multiplied by their New Jersey premiums. The size of the savings under the plaintiff’s calculation depends on their New Jersey premiums. The New Jersey Supreme Court ruled in favor of the plaintiffs, because it believed the legislative intent behind the premium tax cap statute was to encourage all companies, including foreign companies, to sell insurance in New Jersey.

Northbrook Life Ins. Co. v. Pennsylvania, 890 A.2d 1223 (Pa. Commw. Ct. 2006). The Board of Finance and Revenue of the Commonwealth of Pennsylvania denied Northbrook the assessment tax credit it had claimed that was attributable to annuity assessments. On a petition for resettlement, the Board allowed a tax credit for assessments related to taxable annuities only. The Commonwealth Court was called upon to answer two questions: whether Northbrook should be allowed a tax credit for assessments relating to non-taxable annuities; and whether the Board should have granted the credit for taxable annuities. The court ruled that the Guaranty Association Act allows the tax credit for assessments necessary to fund each account and subaccount. Both taxable and non-taxable annuities are represented in these subaccounts. Therefore, the court found the Board was in error to disallow a tax credit for the non-taxable annuity assessments. The court also rejected the parties' stipulation that, if Northbrook was entitled to a credit for annuity assessments, the proportionate part fraction shall be 1.00. The court found that such a calculation is not possible given that the numerator of the proportionate part fraction could never be as great as the denominator. On appeal, the Supreme Court of Pennsylvania vacated the decision as to the 1.00 fraction, finding that the lower court should have respected the parties' stipulation. *Northbrook Life Ins. Co. v. Pennsylvania*, 949 A.2d 333 (Pa. 2008).

Allstate Indem. Co. v. Wooley, 961 So. 2d 1189 (La. Ct. App. 2007). Allstate timely filed its 2002 taxes using a "carry forward" provision of Louisiana law that gives tax credits to companies to encourage participation in the State's economic stimulation. During routine auditing, the Louisiana Insurance Department noticed that Allstate overstated its credits. A phone call was followed by a "courtesy letter" instructing Allstate to pay the difference and the maximum penalty for delinquency in payment of the premium tax. Allstate agreed with the overstatement and paid the difference. They refused to pay the penalty claiming the error was in "good faith".

The Department claimed that penalty provision did not include a "good faith" clause; therefore, they had to charge the penalty. The lower court ruled in favor of Allstate. The Court of Appeal relied on the legal principle that tax statutes should be construed against the taxing authority, and any doubt or ambiguity should be resolved in favor of the taxpayer. The Court used this principle and the fact that the insurance statute in question is analogous to the tax code to affirm the lower court's ruling in favor of Allstate.

Allstate Life Ins. Co. v. Pennsylvania, 992 A.2d 910 (Pa. Commw. Ct. 2010). Allstate petitioned the Commonwealth Court of Pennsylvania for review to determine the correct methodology to be used in calculating the amount of the Life and Health Insurance Guaranty Association assessment tax credit for an insurer providing annuities. The Guaranty Fund assessment statute uses a proportionate part fraction that is designed to eliminate from the tax credit the assessment amounts that can be recovered from premium increases. The Court was unable to employ the same analysis it had used in the *Northbrook* case (see above), which was ultimately reversed by the Supreme Court of Pennsylvania. With limited guidance from the higher court on the correct method of calculation, the Court found the statute to be ambiguous and sought to determine the legislative intent. In examining the proportionate part fraction prescribed by the statute, the Court agreed with Allstate that separate applications of the fraction for each assessment class is necessary to limit the tax credit to the portion of a particular assessment attributable to guaranteed premium policies of an insurer. The Court further held that the numerator should include that portion of the premiums received on account of annuity policies, as Allstate can never recover its assessment on annuities from premium increases.

Selective Way Ins. Co. v. Pennsylvania, 1 A.3d 950 (Pa. Commw. Ct. 2010). The Commonwealth Court of Pennsylvania considered whether the Department of Revenue was required to apply a premium cap as part of retaliatory tax calculation. The Pennsylvania premium tax rate is 2%, as opposed to the New Jersey premium tax rate of 2.1%. However, New Jersey caps the amount of taxable premium at 12.5% of the company's total worldwide premiums. The Court ruled in favor of the New Jersey insurer and against the Commonwealth, holding that the operation of the statutory cap means Pennsylvania insurers do not, in effect, pay higher premium taxes in New Jersey than New Jersey insurers would pay in Pennsylvania. Therefore, the Commonwealth has no reason to retaliate.

Midwest Builders Cas. Mut. Ins. Co. v. Director of Revenue (No. 10-1964 RG) 2010. A Kansas insurer doing business in Missouri challenged the determination of the Missouri Director of Insurance as to the retaliatory tax calculation for workers compensation assessments. Midwest Builders asserted that any Kansas workers compensation fund assessment would be offset by Missouri's workers compensation second injury fund statute. The Missouri Administrative Hearing Commission disagreed, holding that the Kansas and Missouri assessments do not offset each other because they are not equivalent in who bears the cost. Kansas imposes the assessment on insurers, while Missouri imposes the assessment on policyholders (to be collected by insurers).

Prudential Ins. Co. of Am. v. Wrynn, 948 N.Y.S.2d 822 (Sup. Ct. 2012). New Jersey insurance company sought a retaliatory tax refund and credit based on payment made after underpayment discovered during an IRS audit. Prudential claimed the underpayment created an error in calculations under New York's tax law. New York's Insurance Code allows for a refund or credit for retaliatory tax payments that were calculated in error or mistake, as long as such mistake is reported within three years of the discovery. Here, Prudential's petition for tax refund and credit had an insufficient nexus to the alleged mistake so insurer was not entitled to refund or credit.

On appeal to the New York Supreme Court, Appellate Division, Prudential continued to assert the difference between the initial payment and the second payment should be refunded. The Court held the applicable statute limits refunds to amounts paid on account of factual errors or legal errors made because of an incorrect interpretation of a state statute; however, in this case the underpayment resulted from Prudential's own misinterpretation of net operating loss deduction provisions of the Federal Internal Revenue Code. The Court also rejected Prudential's assertion that payment of any franchise tax generates a credit which can be applied toward the retaliatory tax imposed. *Prudential Ins. Co. v. Wrynn*, 963 N.Y.S.2d 174 (App. Div. 2013).

U.S. Liab. Ins. Co. v. Dep't of Ins., 13 N.E.3d 767 (Ill. App. Ct. 2014). The Appellate Court of Illinois, Fourth District, ruled against the Department of Insurance in this case involving refunds of amounts previously overpaid. The plaintiff insurers share a parent company and were ultimately consolidated in their appeals. Collectively, they received \$8.6 million in 2004 for overpayments they made on income taxes in 1999, 2000 and 2001. In reporting their 2004 retaliatory tax, the plaintiffs applied the refund for the tax years in which they had overpaid the taxes; however, the Department asserted the refund should have been counted against the plaintiffs' 2004 income. The Department's approach resulted in a retaliatory calculation that was \$2.7 million higher than the plaintiff's approach.

Illinois maintains a regulation providing the Illinois Base for purposes of retaliation is the amount of income tax paid, decreased by the amount, if any, of a cash refund received in the same calendar year if that refund had been considered part of income tax paid in a preceding year. The Court found this regulation conflicted with section 444(3) of Illinois' insurance code, which specifies that the income-tax component of the Illinois Basis consists of "Illinois corporate income taxes imposed". The Court rejected the Department's interpretation of the word "imposed" to encompass the word "paid" as too broad.

Hegar v. Health Care Serv. Corp., 652 S.W.3d 39 (Tex. 2022), *reh'g denied*, (Sept. 30, 2022). Health Care Service Corporation (“Insurer”) brought an action against the Comptroller of State of Texas seeking a refund of premium and maintenance taxes paid over course of year for premiums collected on “stop-loss” policies issued to employers that self-funded health insurance for their employees. The Supreme Court of Texas found that the stop-loss policies covered risks on individuals and groups and arose from the business of health insurance. The premiums collected on those policies were subject to taxation. Because Insurer collected premiums for administrative and regulatory purposes under its authority to write health insurance, they were subject to maintenance tax. Judgement was rendered for the Comptroller.

IV. Administrative Issues

Metropolitan Life Ins. Co. v. Washburn, 493 N.E.2d 1071 (Ill. 1986). The matters before the Court were a consolidation of three separate cases challenging both the privilege tax provision and the provision for the alternative retaliatory tax. All funds paid by the Plaintiffs had been paid under protest. The Illinois statute allowed the Defendant to release the protested funds into the general revenue fund. Plaintiffs challenged the intent to transfer the funds to general revenue funds and the Court agreed, ruling that section of the Code violated due process. Defendants were ordered to maintain protested payments separate from the general revenue fund in a protest fund. However, the Court vacated that part of the ruling that held the statute to be unconstitutional and remanded those causes.

Guardian Life Ins. Co. of Am. v. Pennsylvania, 611 A.2d 797 (Pa. Commw. Ct. 1992). Guardian appealed from the decision of the Board of Finance and Revenue for refusing its petition for a refund. The Court affirmed the Board and denied Guardian’s Petition for refund based on the statute of limitations. The Court held that the 18-month statute of limitations that applied to the premium tax also applied to the retaliatory tax.

Nev. Dep’t of Ins. v. Human Health Ins. Co. of Nev., 914 P.2d 627 (Nev. 1996). The state of Nevada offered a premium tax credit to companies that maintained their home office in the state. The issue before the Court was whether the office maintained by the respondent was a “home office” as that term is generally understood in the industry. The Court said that a home office is generally understood to be a place where an insurance company maintains its chief executive and general supervisory departments. The state regulators had looked to see whether the insurer performed functions related to underwriting, premium accounting, payroll and actuarial functions in Nevada. It found that only marketing and support services were performed in Nevada and therefore denied the credit to respondent. The Court noted that the legislature had not defined the term in the legislation creating the credit; the term was well known both within the insurance industry and to legislators. The Court found that the department had properly applied the criteria it set and that the two requirements in the statute were not intended to be the only measures of a home office.

Attorneys’ Liab. Assurance Soc’y, Inc. v. Fitzgerald, 174 F. Supp. 2d 619 (W.D. Mich. 2001). Plaintiffs claimed they were risk retention groups and as such, Michigan regulatory fee imposed on them was preempted by the federal Liability Risk Retention Act of 1986 (LRRRA). The regulatory fee was imposed on non-resident risk retention groups, which the Commissioner of Insurance claimed was permissible despite the LRRRA’s general preemption of non-chartering state regulation because the regulatory fee was a tax and was applied in a non-discriminatory manner. The District Court rejected this argument, holding that the plaintiffs qualified as risk retention groups, the fee was not a tax, and the statute imposing the fee was preempted by LRRRA.

United Am. Ins. Co. v. Strayhorn, 108 S.W.3d 448 (Tex. App. 2003). The Texas scheme for premium taxes includes a lower rate for certain investments in Texas real property. This case required the Court to consider whether participation in a limited partnership that held mineral interests in Texas qualified as “real property” for purposes of the premium tax credit. Appellant argued that, because the partnerships owned oil and gas properties, participation in those partnerships constituted an interest in real property for the purposes of the premium tax rate calculation. Since the statute referred to “real property, or any interest therein,” appellants argued that any other interpretation rendered the words “any other interest” meaningless. Appellees argued that “any other interest” meant every interest in land, including leases, licenses and mineral estates. The Court concluded that the limited partnerships were personal property. The real property was owned by the partnerships, not by the insurance company.

Nev. Tax Comm’n v. Am. Home Shield of Nev., Inc., 254 P.3d 601 (Nev. 2011). The Supreme Court of the State of Nevada held that an insurer was barred from collecting a refund due to overpayment, regardless of the fact that taxes were never owed from the portion of its business attributable to service contracts. The insurer paid taxes on premiums for service contracts as well as home insurance premiums, and subsequently requested a refund for the service contract portion. The Department of Taxation accommodated the refund requests for the two most recent years but denied requests for previous years based on the statute of limitations. The Court reversed a lower court’s decision that the insurer’s error was not an “overpayment of insurance tax premium” if the premium amounts are not actually subject to tax. Holding such reasoning to be “hypertechnical”, the Court found the statutory limitations period clearly governs all requests for refunds of taxes mistakenly paid.

Rekerdres & Sons Ins. Agency, Inc. v. Hegar, 611 S.W.3d 88 (Tex. App. 2020). Appellant, a Texas corporation, brokered insurance policies with several Texas warehouses to insure bales of cotton that was stored at their facilities. Appellee, Texas Comptroller of Public Accounts, audited Appellant. The audit revealed that Appellant owed taxes on the premiums collected from the issued insurance policies. Appellant paid the taxes under protest and sued Appellee claiming that: 1. the tax imposed was in violation for the Commerce Clause of the United States Constitution; 2. the tax imposed was in violation of the Import-Export Clause of the United States Constitution; and 3. the insurance at issue was not “surplus lines insurance” subject to taxation. The trial court dismissed Appellant’s claims. Appellant appealed.

The Court of Appeals of Texas, Amarillo affirmed the trial court’s decision holding that the tax does not violate the Commerce Clause because Congress removed all commerce clause limitation on the authority of the states to regulate and tax the business of insurance through the McCarran-Ferguson Act and that the taxes before the court are not subject to challenge based on the Commerce Clause. The court also held that the tax does not violate the Import-Export Clause because the tax complies with all six factors enumerated in *Michelin Tire Corp. v. Wages*, 423 U.S. 276 (1976), *Complete Auto Transit, Inc. v. Brady*, 430 U.S. 274 (1977), and *Japan Line, Ltd. v. Los Angeles County*, 441 U.S. 434 (1979). The court held that nothing in Texas law establishes that the insurance policies at issue were not surplus lines insurance policies subject to premium tax.

In the Matter of State Farm Fire and Cas. Co. and Dover Bay Specialty Ins. Co., No. 2021-6585-INS, (July 7, 2022). The Louisiana Commissioner of Insurance, James J. Donelon (“Commissioner”) issued Directive 218, requiring all authorized insurers and surplus line insurers to pay claims for expenses incurred by Louisiana policyholders who resided in 25 specified parishes that were evacuated or were prohibited from using their insured premises due to Hurricane Ida. In response to Directive 218, Appellants filed an administrative appeal, contending that Directive 218 improperly requires Appellants to expand language in their homeowner’s insurance contracts to extend Prohibited Use benefits to insureds who resided in parishes or municipalities that were not subject to an evacuation order issued by local authorities. The Administrative Law Judge found that none of the authorities cited in Directive 218 or elsewhere empowered the Commissioner with the ability to unilaterally expand the jurisdictional purview of civil authorities for the purpose of creating insurance coverage that would not otherwise exist; and that the Commissioner’s interpretation of the Prohibited Use policy language seeks unreasonable expansion of the meaning of an evacuation order. Therefore, Directive 218 was determined to be invalid and unenforceable.

STATE CONTACTS**ALABAMA**

| | | |
|---|--------------|---|
| LaKisha Hardy Premium Tax | 334-241-4114 | lakisha.hardy@insurance.alabama.gov |
| Andrea Brown Premium Tax | 334-241-4183 | andrea.brown@insurance.alabama.gov |
| Caitlin Walker Premium Tax | 334-240-7574 | caitlin.walker@insurance.alabama.gov |
| Antwionne Dunklin Producers' Licensing | 334-241-4126 | antwionne.dunklin@insurance.alabama.gov |
| Ken Smithson Deposits | 334-241-4156 | john.smithson@insurance.alabama.gov |
| Jill Gregory Reinsurance Intermediaries & MGAs | 334-241-4161 | jill.gregory@insurance.alabama.gov |

ALASKA

| | | |
|---|--------------|----------------------------|
| Rebecca Nesheim Premium Tax and Producer Licensing | 907-465-2584 | rebecca.nesheim@alaska.gov |
| Jeffery Bethel Company Licensing | 907-269-7919 | jeffery.bethel@alaska.gov |

ARIZONA

| | | |
|--|--------------|-------------------------------|
| Loretta Moncibaez Premium Taxes, Credits | 602-364-3246 | loretta.moncibaez@difi.az.gov |
| Cary Cook Fees, Deposits | 602-364-3986 | cary.cook@difi.az.gov |
| Tony McCormack Insurance Compliance Analyst | 602-364-3245 | tony.mccormack@difi.az.gov |
| Mary Jordan Assessments | 602-364-2459 | mary.jordan@difi.az.gov |

STATE CONTACTS**ARKANSAS**

| | |
|---|--------------|
| Mary Davis Ins. Dept., Accounting Division | 501-682-7678 |
| Criminal Investigation Division Ins. Fraud Assessments | 501-371-2790 |
| Legal Division personnel Fees & Rules | 501-371-2820 |
| Liquidation Division Guaranty Fund Assessments | 501-371-2776 |
| Arkansas Development Finance Authority | 501-682-5900 |
| Arkansas Secretary of State Corporate Franchise Tax | 501-682-3409 |

CALIFORNIA

| | | |
|----------------|--------------|---------------------------|
| Camilo Pizarro | 916-492-3595 | pizarroc@insurance.ca.gov |
| Mimi Yan | 213-346-6469 | mimi.yan@insurance.ca.gov |

COLORADO

| | | |
|--------------------|--------------|--------------------------------|
| Cindy Hathaway | 303-894-7836 | cindy.hathaway@state.co.us |
| Lorraine Pritchett | 303-894-2195 | lorraine.pritchett@state.co.us |

CONNECTICUT

| | |
|--|--------------|
| Chrystal Hale Dept. of Revenue Services | 860-541-3289 |
| Bill Mitchell Ins. Dept., Financial Analysis & Compliance (Insurers) | 860-297-3833 |
| Jill Marocchini Ins. Dept., Licensing Div. (Other than Insurers) | 860-297-3975 |

DELAWARE

| | | |
|-----------------|--------------|------------------------------|
| Paulette Morris | 302-674-7383 | Paulette.Morris@Delaware.gov |
| Jeannine Neal | 302-674-7339 | Jeannine.Neal@Delaware.gov |

STATE CONTACTS**DISTRICT OF COLUMBIA**

| | | |
|--|--------------|----------------------|
| Sheila Johnson-Parker Company & Producers Licensing | 202-442-7795 | sheila.parker@dc.gov |
| Dana Sheppard Captives & Domestic RRGs | 202-442-7820 | dana.sheppard@dc.gov |
| Julia May Assessments | 202-442-7842 | julia.may@dc.gov |

FLORIDA

| | | |
|--|--------------|------------------------------------|
| William Roberts Dept. of Rev., Premium Tax | 850-717-7658 | william.roberts@floridarevenue.com |
| Christina Huff Office of Ins. Reg., NAIC Coordinator | 850-413-5906 | christina.huff@floir.com |

GEORGIA

| | | |
|---|--------------|-----------------------|
| Mandy Snipes Premium Tax Issues | 404-656-7553 | msnipes@oci.ga.gov |
| Scott Sanders Financial Oversight - Fees | 404-657-7742 | ssanders@oci.ga.gov |
| Melanie Frechette Agents & Agents Licensing Division | 470-747-9873 | mfrechette@oci.ga.gov |
| Morgan Wurst Georgia Firefighters' Pension Fund | 770-388-5757 | morgan@gfpf.org |
| Tracy Ransom Georgia Firefighters' Pension Fund | 770-388-5757 | premtax@gfpf.org |
| Alex Volodarsky Workers' Compensation | 404-656-2314 | |

STATE CONTACTS**HAWAII**

| | | |
|-------------------------|--------------|--------------------------|
| Jenny Fujiwara | 808-586-7380 | jfujiwar@dcca.hawaii.gov |
| Andy Chow | 808-586-3874 | achow@dcca.hawaii.gov |
| Premium Taxes | | |
| Emily Rakieten | 808-586-2788 | arakiete@dcca.hawaii.gov |
| Producer Licensing Fees | | |
| Irene Y. Baek | 808-586-8151 | ibaek@dcca.hawaii.gov |
| Insurer Licensing Fees | | |
| Andrew Kurata | 808-586-0981 | akurata@dcca.hawaii.gov |
| Captive Fees | | |
| Andy Chow | 808-586-3874 | achow@dcca.hawaii.gov |
| Deposits | | |

IDAHO

| | | |
|---------------------------------|--------------|--|
| Lynn Shelton | 208-334-4281 | lynn.shelton@doi.idaho.gov |
| Premium Tax Specialist | | |
| Jayashree Vinayagamoothy | 208-334-4282 | jayashree.vinayagamoothy@doi.idaho.gov |
| Technical Records Specialist II | | |

ILLINOIS

| | | |
|-----------------------------------|--------------|--|
| Privilege Tax & Retaliatory Taxes | 217-782-0055 | |
| Cathy Suhling | 217-557-3379 | |
| Deposits | | |
| Fee Payments | 217-557-3379 | |

STATE CONTACTS**INDIANA**

| | | |
|---|--------------|-----------------------|
| Debra Graves Premium Tax & Insurer Annual Fees | 317-232-1993 | dgraves@idoi.in.gov |
| Connie Wright Company Admissions & Other Entity Licensing | 317-232-1994 | cowright1@idoi.in.gov |
| Annette Gunter Corporate Amendments | 317-232-2428 | agunter@idoi.in.gov |
| Steve Embree Agents Licensing | 317-234-5883 | sembree@idoi.in.gov |
| Vacant Company Deposits | 317-232-2383 | |
| Alexandria Peck Property & Casualty Company Compliance | 317-233-9607 | apecck@idoi.in.gov |
| Darren Dye Second Injury Fund & Residual Asbestos Fund & Worker's Compensation | 317-233-3384 | ddye@wcb.in.gov |
| Kenneth R. Boucher II Deputy Commissioner of Labor, INSafe Indiana Dept. of Labor | | kboucher@dol.in.gov |

IOWA

| | | |
|--|--------------|---------------------------------|
| Premium & Retaliatory Taxes | 515-654-6480 | Premium.Tax@iid.iowa.gov |
| Agents' Licensing, Property, Casualty & Surplus Lines | 515-654-6565 | Producer.Licensing@iid.iowa.gov |
| Insurers' Fees | 515-654-6480 | Company.Licensing@iid.iowa.gov |

KANSAS

| | | |
|-------------------|--------------|--------------------------|
| Charlotte Daubert | 785-291-3191 | charlotte.daubert@ks.gov |
|-------------------|--------------|--------------------------|

STATE CONTACTS**KENTUCKY**

| | | |
|---|--------------|--------------------|
| Cheryl Hunt Dept. of Revenue | 502-564-4810 | cheryl.hunt@ky.gov |
| Russ Coy Dept. of Insurance | 502-564-6082 | russell.coy@ky.gov |
| Rob Roberts Dept. of Insurance | 502-564-6026 | rob.roberts@ky.gov |
| John Hord Dept. of Insurance | 502-782-5349 | John.Hord@ky.gov |
| Lisa Gilreath-King Workers' Compensation Funding Commission | 502-782-1717 | lisag.king@ky.gov |

LOUISIANA

| | | |
|------------|--------------|------------------|
| Tommy Coco | 225-342-1012 | tcoco@ldi.la.gov |
|------------|--------------|------------------|

MAINE

| | | |
|---------------|--------------|---------------------------|
| Karma Lombard | 207-624-8540 | karma.y.lombard@maine.gov |
|---------------|--------------|---------------------------|

MARYLAND

| | | |
|--------------|--------------|---------------------------|
| Erin Nickles | 410-468-2451 | erin.nickles@maryland.gov |
|--------------|--------------|---------------------------|

MASSACHUSETTS

| | | |
|--|--------------|--|
| Joe Tierney Revenue | 617-626-3250 | rulesandregs@dor.state.ma.us tierneyj@dor.state.ma.us |
| Robert Hunter Producer Licensing | 617-521-7448 | robert.hunter@mass.gov |
| John Baglio Company Licensing | 617-521-7394 | john.baglio@mass.gov |
| Matthew Mancini Policy Approval / Rates | 617-521-7459 | matthew.mancini@mass.gov |

STATE CONTACTS**MICHIGAN**

| | | |
|--|--------------|---|
| David Matelski Dept. of Treasury, Tax Policy Division | 517-335-7424 | MatelskiD@michigan.gov Treas_Tax_Policy@michigan.gov |
| Kathy Moua Dept. of Insurance & Financial Services, Office of Insurance Evaluation | 517-284-8762 | MouaK@michigan.gov |

MINNESOTA

| | | |
|--|--------------|-----------------------------|
| MN Rev. Dept., Ins. Taxes | | www.revenue.state.mn.us |
| Jerry Sieve Premium & other insurance taxes | 651-556-4729 | insurance.taxes@state.mn.us |

MN Commerce Dept., Ins. Reg & Fees

| | | |
|---------------------------------------|--------------|----------------------------|
| Jennifer Price Deposits & Fees | 651-539-1736 | jennifer.price@state.mn.us |
| Peter Bratsch Agent Licensing | 651-539-1585 | peter.bratsch@state.mn.us |
| Paul Hanson Enforcement | 651-539-1641 | paul.hanson@state.mn.us |
| Tammy Lohmann Rate and Form Filing | 651-539-1731 | tammy.lohmann@state.mn.us |
| Tony Ofstead Auto Theft Surcharge | 651-539-1602 | tony.ofstead@state.mn.us |

Minnesota Surplus Lines Agents Stamping Office

| | | |
|--------------------|--------------|-----------------------|
| Nicholas Schroeder | 320-679-4244 | nschroeder@mnscla.com |
|--------------------|--------------|-----------------------|

MISSISSIPPI

| | | |
|--|--------------|---------------------------|
| Derrick Barnes Dept. of Rev., Misc. Tax Bureau Director | 601-923-7083 | derrick.barnes@dor.ms.gov |
| Beth Reiss Ins. Dept., Communications Director | 601-359-2403 | beth.reiss@mid.ms.gov |
| Inez Hankins Workers' Compensation Commission | 601-987-4200 | ihankins@mwcc.ms.gov |

STATE CONTACTS**MISSOURI**

| | | |
|-----------------|--------------|----------------------------------|
| Noland Stuecken | 573-526-4986 | noland.stuecken@insurance.mo.gov |
| Tammy Pollreisz | 573-751-1929 | tammy.pollreisz@insurance.mo.gov |

MONTANA

| | | |
|-------------------------------------|--------------|------------------|
| Kari Leonard Examinations Bureau | 406-444-2895 | kleonard2@mt.gov |
| David Dachs Licensing Bureau | 406-444-9722 | Ddachs@mt.gov |

NEBRASKA

| | | |
|------------------------------|--------------|-----------------------------|
| Kristy Hadden | 402-471-0373 | doi.premiumtax@nebraska.gov |
| Tom Milburn Corporate Tax | 402-471-5814 | tom.milburn@nebraska.gov |

NEVADA

| | | |
|---|--------------|----------------------------|
| Insurance Tax Examiner Dept. of Taxation | 775-684-2130 | premiumtax@tax.state.nv.us |
| Kami Thompson Div. of Ins. - Companies | 775-687-0745 | kthompson@doi.nv.gov |
| Jacob Roberts Div. of Ins. - Individuals & Agencies | 775-687-0774 | jroberts@doi.nv.gov |

NEW HAMPSHIRE

| | | |
|---------------------|--------------|--------------------------------|
| Amy J. Duhaime | 603-271-2261 | amy.j.duhaime@ins.nh.gov |
| James B. Young | 603-271-3141 | james.b.young@ins.nh.gov |
| Jennifer A. Goodwin | 603-271-2398 | jenniferf.a.goodwin@ins.nh.gov |

NEW JERSEY

| | | |
|---------------|--------------|---------------------------|
| Tanveer Ahmed | 609-940-7411 | tanveer.ahmed@dobi.nj.gov |
|---------------|--------------|---------------------------|

STATE CONTACTS**NEW MEXICO**

| | | |
|---|--------------|-------------------------------|
| Ursula Almada Company Licensing Bureau | 505-827-4524 | Ursula.Almada@osi.nm.gov |
| Victoria Baca Producers Licensing Bureau | 505-827-4554 | VictoriaA.Baca@osi.nm.gov |
| Vanessa DeJesus Producers Licensing Bureau | 505-827-4646 | VanessaA.DeJesus@osi.nm.gov |
| Patricia Martinez Premium Taxes/Financial Audit Bureau | 505-476-0191 | Patricia.Martinez4@osi.nm.gov |
| Melissa Robertson P&C Rate, Rule & Form Filing Bureau | 505-670-2704 | Melissa.Robertson@osi.nm.gov |

NEW YORK

| | | |
|---|--------------|-----------------------------|
| Steven McClellan Dept. of Financial Services, Retaliatory Tax | 518-473-7897 | retaltax@dfs.ny.gov |
| Sue Tennyson Corporation Tax | 518-389-4913 | Suzanne.Tennyson@tax.ny.gov |
| Richard Rintrona Corporation Tax | 518-389-4909 | Richard.Rintrona@tax.ny.gov |
| Steven Scotti Workers' Compensation | 518-408-0469 | steven.scotti@wcb.ny.gov |

NORTH CAROLINA

| | | |
|--|--------------|--------------------------|
| Latoya Parmele Dept. of Revenue, Premium Tax | 919-754-2600 | latoya.parmele@ncdor.gov |
| Tamla Dunson Insurer Fees | 919-807-6164 | tamla.dunson@ncdoi.gov |
| Agent Services Division Producer Licensing Fees | 919-807-6800 | asd@ncdoi.gov |

STATE CONTACTS**NORTH DAKOTA**

| | | |
|--|--------------|----------------------|
| Jessica Davis Premium Tax | 701-328-2440 | jessdavis@nd.gov |
| Matt Fischer Chief Examiner & Director Company Licensing | 701-328-2440 | mattfischer@nd.gov |
| Janelle Middlestead Producer Licensing | 701-328-2440 | jlmiddlestead@nd.gov |

OHIO

Tax Questions, Online Filing, Passwords, Amended Returns: before calling, please email
taxes@insurance.ohio.gov

| | | |
|--|--------------|---|
| Cameron Piatt Tax Administrator | 614-728-1074 | cameron.piatt@insurance.ohio.gov |
| Melissa Chuvalas Financial Program Manager, Securities Compliance Officer Deposits & Fees | 614-752-0720 | Melissa.Chuvalas@insurance.ohio.gov |
| Payments & Tax Account Info. ACH credit instructions | 614-752-8483 | tosins@tos.ohio.gov eft.tos.ohio.gov |
| Electronic Funds Transfer, Ohio Treasurer's Office | 877-338-6446 | |
| Agent Licensing | 614-644-2665 | |

OKLAHOMA

| | |
|---|---------------------------------|
| Comptroller Division / Premium Tax Unit | 405-521-3967 or 405-522-0473 |
| Producer Licensing Division | 405-521-3916 |

OREGON

| | |
|--|---|
| Division of Financial Regulation, Insurance Licensing and Retaliatory Tax | orinstax.ins@oregon.gov |
| Gail McFarlin Div. of Fin. Reg., Ins. Inst.—Tax Analyst | gail.l.mcfarlin@dcbs.oregon.gov |
| Shannon O'Shea Div. of Fin. Reg., Ins. Inst.—Tax Analyst | 503-947-7046 shannon.oshea@dcbs.oregon.gov |

STATE CONTACTS**PENNSYLVANIA**

| | | |
|-----------------------------------|--------------|-------------------|
| Lisa Lafferty Dept. of Revenue | 717-705-6098 | lilafferty@pa.gov |
| Frank Tobias Dept. of Revenue | 717-783-6034 | ftobias@pa.gov |
| Joseph Korman Insurance Dept. | 717-787-4429 | jkorman@pa.gov |

PUERTO RICO

| | |
|--|---------------------------------------|
| Glorimar Santiago Director / Deputy Commissioner of Supervision and Compliance | 787-304-8686, ext. 4401 or 1005 |
|--|---------------------------------------|

RHODE ISLAND

| | | |
|--|--------------|-----------------------|
| Carlita Annicelli Dept. of Rev., Corporate Taxes | 401-574-8806 | |
| Rachel Chester Division of Insurance, Ins. Producer Licensing | 401-462-9604 | |
| Deb Almeida Division of Insurance, Ins. Co. Licensing | 401-462-9542 | |
| Matthew Carey Dept. of Labor & Training, Workers' Compensation | 401-462-8127 | matt.carey@dlt.ri.gov |
| Lisa Gargano Dept. of Health, Infant Child Assessment | 401-222-8022 | |

SOUTH CAROLINA

| | | |
|--|--------------|-----------------------|
| Sharon B. Waddell Premium Tax, Insurer's Fees | 803-737-4910 | swaddell@doi.sc.gov |
| Andrea Bourgoin Producer Licensing Fees | 803-737-5757 | abourgoin@doi.sc.gov |
| Stacy Johnson Deposits | 803-737-6221 | securities@doi.sc.gov |

STATE CONTACTS

SOUTH DAKOTA

| | | |
|--------------------------------------|--------------|------------------------------------|
| Patsy Madsen Premium Tax | 605-773-3563 | patsy.madsen@state.sd.us |
| Charlene Keller Company Licensure | 605-773-3563 | charlene.squireskeller@state.sd.us |
| Penney Wagoner Producer Licensing | 605-773-3513 | penney.wagoner@state.sd.us |

TENNESSEE

| | | |
|--|--------------|--------------------------|
| Allison May Captive Insurance Section | 615-253-1178 | allison.w.may@tn.gov |
| Kim Blaylock Premium Tax | 615-532-7567 | kim.blaylock@tn.gov |
| Kimberly Biggs Agents' Licensing Fees | 615-741-2693 | kimberly.biggs@tn.gov |
| Ben Whitehouse L/H Guaranty Association | 615-242-8758 | bwhitehouse@tnlifega.org |
| Kerry Nations P/C Guaranty Association | 615-917-2106 | knations@tiga.net |
| Lorrie Brouse, Exec. Secretary P/C Guaranty Association | | lbrouse@tiga.net |

STATE CONTACTS**TEXAS**

| | | |
|--|--------------|----------------------------------|
| Jan Feutral Company Fees | 512-676-6382 | jan.feutral@tdi.texas.gov |
| Jodie Delgado Agents' Fees Title Insurance Agent Fees | 512-676-6481 | jodie.delgado@tdi.texas.gov |
| Randall Evans Agents' Fees Title Insurance Agent Fees | 512-676-6520 | randall.evans@tdi.texas.gov |
| Robert Palm Maintenance Tax Rates | 512-676-6906 | robert.palm@tdi.texas.gov |
| Nick Souza Office of Comptroller, Taxes, Assessments & Retaliation | 512-463-4079 | nicholas.souza@cpa.texas.gov |
| Nina Roberts Office of Comptroller, Taxes, Assessments & Retaliation | 512-463-4358 | nina.roberts@cpa.texas.gov |
| George Mirzashvili Office of Comptroller, Taxes, Assessments & Retaliation | 512-463-3432 | George.mirzashvili@cpa.texas.gov |

UTAH

| | | |
|---|--------------|-------------------------|
| Technical Research Unit Utah Tax Commission | 801-297-7705 | taxmaster@utah.gov |
| Dava Neal Utah Ins. Dept., Company Licensing | 801-957-9252 | dneal@utah.gov |
| Jay Sueoka Utah Ins. Dept., Company Licensing | 801-957-9253 | jsueoka@utah.gov |
| Heidi Petermann Utah Ins. Dept., Agent & Agency Licensing | 801-957-9246 | hpetermann@utah.gov |
| Joe Coccimiglio Utah Ins. Dept., Deposits | 801-957-9251 | joecoccimiglio@utah.gov |

STATE CONTACTS**VERMONT**

| | | |
|---|--------------|----------------------------|
| Cortney Diego Tax Dept. | 802-828-2865 | cortney.diego@vermont.gov |
| Calley Rock Ins. Dept., Producer Licensing | 802-828-2370 | calley.rock@vermont.gov |
| Karen Ducharme Ins. Dept., Director of Company Licensing & Examinations | 802-828-1959 | karen.ducharme@vermont.gov |
| Paige Coolbeth Ins. Dept., Company Licensing | 802-828-2470 | paige.coolbeth@vermont.gov |

VIRGIN ISLANDS

| | | |
|------------------|--|--|
| Glendina Matthew | 340-773-6459, ext. 3107 340-774-7166 | Division website: www.ltg.gov.vi |
|------------------|--|--|

VIRGINIA

| | | |
|---|--------------|-----------------------------------|
| Darien Carter Bureau of Insurance, Assessments | 804-371-9333 | darien.carter@scc.virginia.gov |
| Danielle Thurman Dept. of Taxation, Premium License Tax | 804-404-4163 | danielle.thurman@tax.virginia.gov |

WASHINGTON

| | | |
|--|--------------|--------------------------|
| Steven Moore Premium Taxes | 360-725-7031 | taxes@oic.wa.gov |
| Company Licensing & Compliance | 360-725-7193 | clc@oic.wa.gov |
| Ron Pastuch Holding Company Information | 360-725-7211 | Ron.Pastuch@oic.wa.gov |
| Jeff Baughman Producers Licensing & Oversight | 360-725-7156 | Jeff.Baughman@oic.wa.gov |

STATE CONTACTS**WEST VIRGINIA**

| | | |
|--|--------------|--------------------------|
| Tax Audit Section | 304-558-1900 | |
| Drema Goolsby Tax Unit Supervisor | | drema.k.goolsby@wv.gov |
| Michelle Farren Tax Audit Clerk, Senior | | michelle.b.farren@wv.gov |
| Karen Callison Tax Audit Clerk | | karen.l.callison@wv.gov |
| Crystal Proctor Tax Audit Clerk, Senior | | crystal.f.proctor@wv.gov |

WISCONSIN

| | | |
|------------------|--------------|--------------------------------|
| John Litweiler | 608-267-4390 | john.litweiler@wisconsin.gov |
| Terry Lorenz | 608-264-8106 | terry.lorenz@wisconsin.gov |
| Nicholas Hartwig | 608-267-4383 | nicholas.hartwig@wisconsin.gov |
| Kongmeng Yang | 608-264-8120 | kongmeng.yang@wisconsin.gov |

WYOMING

| | | |
|---|--------------|-----------------------|
| G. Douglas Melvin Chief Financial Examiner | 307-777-5619 | doug.melvin@wyo.gov |
| G. Douglas Melvin Premium Tax | 307-777-5619 | doug.melvin@wyo.gov |
| G. Douglas Melvin Company Licensing | 307-777-5619 | doug.melvin@wyo.gov |
| Bryan Stevens Producer Licensing Administrator | 307-777-7344 | bryan.stevens@wyo.gov |

Retaliation—December 2022

STATE CONTACTS