Search Criteria

Category: Surplus Lines Fees and Taxes - Special Requirements
Charts: Surplus Lines Fees and Taxes - Special Requirements
States: All States
Keyword:

Chart Name: Surplus Lines Fees and Taxes - Special Requirements
Chart Description: The Surplus Lines Fees and Taxes - Special Requirements chart identifies special requirements by state governing surplus lines fees and taxes and includes premium tax percentages, prohibitions on surplus lines brokers absorbing or rebating any part of the tax and when a broker may charge a reasonable fee for providing claim loss information as part of the expense of underwriting a policy. Finally, the citations for tax allocation provisions are provided.

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Chart Notes:

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<td>6% annually. AL ST s 27-10-31</td>
<td>(a) On or before the first day of March each year, the surplus line broker shall remit to the State Treasurer through the commissioner, as a tax imposed for the privilege of transacting business as a surplus line broker in this state, a tax of 6% on the direct premiums, less return premiums and exclusive of sums collected to cover state or federal taxes, on surplus line insurance subject to tax transacted by the broker during the preceding calendar year as shown by the annual statement filed with the commissioner. AL ST s 27-10-31. Fees are considered to be part of premium and are subject to the surplus lines tax. AL ST s 27-10-31, AL ST s 27-61-1.</td>
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Notes: N/A

Alaska
**Tax Rates Applied**

2.7% plus 1% filing fee, quarterly. AK ST § 21.34.180; AK ST § 21.34.190.  
0.75% for wet marine. AK ST § 21.33.055(a).

**Broker Requirements**

(a) a surplus lines broker must collect and pay to the director a tax of 2.7 percent on the net premium, which is the total gross premiums written, less any return premiums, for the insurance. Where the home state of the insured is this state and the insurance covers properties, risks, or exposures located or to be performed both within and outside Alaska, the tax payable will be computed based on an amount equal to 2.7 percent on that portion of the net premiums allocated under (f) of this section to Alaska, plus an amount equal to the portion of the premiums allocated under (f) of this section to other states or territories based on the tax rates and fees applicable to other properties, risks, or exposures located or to be performed outside Alaska. AK ST § 21.34.180(a).

(a) Except as to premiums on lawfully procured surplus lines insurance exported under AS 21.34 and premiums on independently procured insurance on which a tax has been paid under AS 21.33.061, every nonadmitted insurer shall pay to the director, on or before March 1 following the calendar year in which the insurance was procured, continued, or renewed, a premium-receipts tax of 3.7 percent of gross premiums written for the insurance other than wet marine and transportation insurance and a premium-receipts tax of three-fourths of one percent of gross premiums charged for the wet marine and transportation insurance if the insured's home state is this state. ...The tax paid by the insurer under this section is in lieu of all insurer taxes and fire department dues. In this subsection, "premium" includes all premiums, membership fees, assessments, dues, and any other consideration for insurance. AK ST § 21.33.055(a).

(a) The fee for filing the statement under AS 21.34.180(e) is an amount equal to one percent (1%) on gross premium charged less any return premiums as reported on the statement. The surplus lines broker shall pay the fee at the time of filing of the statement.  
(b) If the filing fee is not paid when due, an additional late payment fee of $250 plus two percent of the fee due per month, or part of a month, shall become due and payable by the surplus lines broker. AK ST § 21.34.190.

**Tax Allocation**

AK ST § 21.34.180.

**Limitations / Other**

(b) A surplus lines broker may not absorb all or any part of the tax, and may not rebate any part of the tax for any reason.

**Notes:**

N/A

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**Arizona**

**Tax Rates Applied**

3% semiannually. AZ ST § 20-415; AZ ST § 20-416; AZ ST § 20-410; AZ Bulletin 2016-04  
0.2% stamping fee. Arizona Surplus Lines Association of Arizona.
Broker Requirements

B. The statement required by subsection A of this section is due on or before February 15 of each year for the preceding July through December and on or before August 15 of each year for the preceding January through June for business covering Arizona single-state risks, except that for multistate transactions occurring on or before December 31, 2014, the statement shall be due on or before the date specified in subsection D of this section. AZ ST s 20-415.

(C) The tax required by subsections A and B of this section is at the rate of three per cent (3%) of the gross premiums, including policy fees other than stamping fees prescribed in section 20-167, and shall not be applied to premiums returned on account of cancellation or reduction of premium and shall not be applied to gross premiums and returned premiums on business exempted from surplus lines provisions under section 20-420. The surplus lines broker shall collect the tax from the insured in addition to the full amount of the gross premium charged by the insurer for the insurance. The surplus lines broker shall return the tax on any portion of the premium unearned at the termination of the insurance policy to the policyholder. AZ ST s 20-416.

(C) A surplus lines broker may charge and receive a fee in addition to the premium for services provided in the transaction of surplus lines insurance if before effecting any coverage both of the following conditions are met: 1. The service fees and the specific services for which the fees are charged are disclosed to the insured or the insured’s representative and are agreed to in writing by the insured or the insured’s representative. 2. The taxes prescribed in s 20-416 are paid on any fees charged to the insured. AZ ST s 20-410.

Tax Allocation

AZ ST s 20-416.

Limitations / Other

(C) A surplus lines broker may not absorb the tax or rebate any part of the tax or commission for any reason. AZ ST s 20-416.

AZ ST s 20-415(E). A surplus lines broker is not responsible for reporting any fees or remitting any premium taxes or stamping fees due on fees charged by an insurance producer in connection with the transaction of surplus lines insurance. See also, Bulletin 2016-04, which clarifies requirements for service fees charged by surplus lines brokers.

Notes: N/A

Arkansas

Tax Rates Applied

4%, within 60 days after surplus lines insurance written. AR ST s 23-65-315(a).
Broker Requirements

No later than sixty (60) days following the end of the month in which surplus lines insurance was procured, the surplus lines broker shall remit to the Treasurer of State through the Insurance Commissioner a tax of four percent (4%) on the direct premiums written, less return premiums and exclusive of sums collected to cover state or federal taxes, on surplus lines insurance subject to tax transacted by the surplus lines broker during the preceding months as shown by his or her affidavit filed with the commissioner for the privilege of transacting business as a surplus lines broker in this state. AR ST s 23-65-315(a); AR Bulletin 8-2011

(a)(1) Upon placing a surplus lines coverage, a broker must promptly issue and deliver to the insured evidence of the insurance, consisting either of the policy as issued by the insurer or the surplus lines broker’s certificate if the policy is not available.

(a)(2)(A) The certificate must be executed by the broker and show the following: (i) the subject, coverage, conditions, and term of the insurance; (ii) the premium charged; (iii) taxes collected from the insured; (iv) and the name and address of the insurer. AR ST s 23-65-311.

Tax Allocation

AR ST s 23-65-315.

Limitations / Other

(e)(3) A surplus lines insurer or a surplus lines broker may charge a reasonable fee for providing claim loss information as part of the expense of underwriting a policy. AR ST s 23-65-311.

Notes:

N/A

California

Tax Rates Applied

3% annually, except monthly if annual tax the preceding year was $20,000 or more. CA Ins s 1775.5; CA Ins s 1775.1.

0.2% stamping fee. Surplus Line Association of California.
Broker Requirements

(a) The amount of the payment shall be 3 percent of the gross premiums charged less return premiums upon business done by the surplus line broker during the calendar month ending two calendar months immediately preceding the due date of the payment, as specified in Section 1775.3, excluding gross premiums and return premiums paid by him or her upon business governed by the provisions of Section 1760.5... CA Ins 1775.4.

(a) Every surplus line broker shall annually, on or before the first day of March of each year, pay to the Insurance Commissioner for the use of the State of California a tax of 3 percent of the gross premiums charged less return premiums upon business done by him or her under the authority of his or her license during the preceding calendar year, excluding any portions of premiums upon business done involving the risk finance portion of any blended finite risk product used in the financing element of state or federal Superfund environmental settlements involving remediation of soil or groundwater contamination or by the provisions of Section 1760.5. If during any calendar year 3 percent of the return premiums upon business done by a surplus line broker exceed 3 percent of the gross premiums upon that business done by him or her in that year, then he or she may either carry forward that excess to the next succeeding year and apply it as a credit against 3 percent of gross premiums on the business done by him or her in the succeeding year, or he or she may elect to receive, and thereupon be paid a refund equal to the amount of taxes theretofore paid by him or her on that excess of return premiums paid over gross premiums received. CA Ins s 1775.5.

(a) Each calendar year, every surplus line broker whose annual tax for the preceding calendar year was twenty thousand dollars ($20,000) or more shall make monthly installment payments on account of the annual tax on business done during the current calendar year imposed by Section 1775.5. CA Ins s 1775.1.

Tax Allocation

CA INS s 1775.5.

Limitations / Other

N/A

Notes:

N/A

Colorado

Tax Rates Applied 3%. CO ST s 10-5-111.5.
(1) Each surplus line broker and every person that enters into an independent procurement for nonadmitted insurance shall remit to the division of insurance a tax on the net premiums, exclusive of sums collected to cover federal and other state taxes and examination fees, on nonadmitted insurance subject to tax under this article during the preceding reporting period as shown by the statement filed with the commissioner. The net premiums must be taxed at the rates described in section 10-5-111.5. CO ST s 10-5-111.

(1) In determining the amount of tax payable to Colorado, the entire amount of tax payable at a rate of three percent (3%) on the net premiums is presumed to be owed to Colorado; except that, for those multistate risks involving states that have entered into either a compact or a tax-sharing agreement with Colorado to share the tax, the premium tax rate and the amounts allocated to the other states are subject to determination according to the terms of the compact or agreement. CO ST s 10-5-111.5.

**Section 7 Taxes on Premium**

A. Each broker shall treat all premium tax revenues received for surplus lines insurance written in Colorado in a fiduciary capacity.

B. Each broker shall, no later than the 15th of each month for the prior month, submit a report to the Division of Insurance showing each policy written including those accepted from licensed producers. The report shall include the name of the insured, line of business, name of non admitted insurer, surplus lines premium, policy fees charged and surplus lines taxes due. Such report shall be on a form prescribed by the Commissioner.

C. In accordance with § 10-5-109, C.R.S., a broker reporting a policy written with a non admitted insurer that is not listed on the Division of Insurance’s eligible list is required to retain documentation verifying that the non admitted insurer meets the requirements of Sec,. 524 of the Nonadmitted and Reinsurance Reform Act of 2010, or the type of insurance is listed in § 10-5-101.5, C.R.S.

D. In accordance with § 10-5-110(1), C.R.S, the reporting period will be the calendar year. On or before the first day of March each broker and every person that enters into an independent procurement for nonadmitted insurance shall file their statement of, and remit the premium taxes for, all nonadmitted insurance transacted during the preceding calendar year. 3 CO ADC 702-2:2-4-1.

**Tax Allocation**

CO ST s 10-5-111; CO ST s 10-5-111.5.

**Limitations / Other**

N/A

**Notes:**

N/A

**Connecticut**

**Tax Rates Applied**

4% quarterly. CT ST s 38a-743(c)(1).
Broker Requirements

(3) For calendar years beginning on or after January 1, 2012, each licensee shall pay to the Insurance Commissioner, in accordance with procedures established and on forms provided by said commissioner, (A) on or before May fifteenth of each year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from January first to March thirty-first of that year; (B) on or before August fifteenth of each year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from April first to June thirtieth of that year; (C) on or before November fifteenth of each year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from July first to September thirtieth of that year; and (D) on or before February fifteenth of each year succeeding a year in which nonadmitted insurance was procured, continued or renewed, a tax on such insurance equal to the sum of four per cent of the gross premiums charged insureds by nonadmitted insurers during the period from October first to December thirty-first of the preceding year. CT ST s 38a-743(c).

Tax Allocation

CT ST s 38a-277.

Limitations / Other

N/A

Notes:

N/A

Delaware

Tax Rates Applied

3%. DE ST TI 18 s 1925.

Broker Requirements

(b) Every surplus lines broker must collect and pay to the State Treasurer through the Commissioner a 3 percent tax on the gross premiums charged, less any returned premiums and exclusive of sums collected to cover federal and state taxes and examination fees, for insurance placed or procured under the broker’s surplus lines license in which Delaware is the home state of the insured.

(c) For the purposes of this section, if a surplus lines policy procured through a surplus lines broker covers properties, risks, or exposures only partially located or to be performed in Delaware, but Delaware is the home state of the insured, all premium for the policy will be considered written on properties, risks, or exposures located or to be performed in Delaware.

DE ST TI 18 s 1925.

Tax Allocation

DE ST TI 18 s 1925.

Limitations / Other

(d) A surplus lines producer is prohibited from rebating any part of the tax for any reason. DE ST TI 18 s 1925.

Notes:

N/A

District Of Columbia

Tax Rates Applied

2% semi-annually. DC ST s 31-2502.40(a).
Broker Requirements
(a) Any person may be licensed as a surplus lines insurance producer under Chapter 11A of this title to procure policies from companies which are not authorized to do business in the District where such person is, after diligent effort, unable to procure policies to cover the kind or kinds of business required from companies duly authorized to transact business in the District. Each agent or broker so licensed shall pay to the Collector of Taxes, through the Commissioner, on February 1st and August 1st of each year, a sum equal to 2 per centum of the amount of the gross premiums upon all kinds of policies procured by him during the immediately preceding 6 months' period ending December 31st and June 30th, respectively, and, in default of such payment, the Commissioner, through the Corporation Counsel, may bring suit to recover the same. DC ST s 31-2502.40.

Tax Allocation
DC ST s 31-2502.40.

Limitations / Other
N/A

Notes:
N/A

Florida
Tax Rates Applied
5%. FL ST s 626.932.
0.15% FLSO service fee for all new and renewal policies with an effective date between April 1, 2016 - March 31, 2017. Florida Surplus Lines Service Office.
0.1% all new and renewal policies with an effective date on or after April 1, 2017. Florida Surplus Lines Service Office.

Broker Requirements
(1) The premiums charged for surplus lines coverages are subject to a premium receipts tax of 5 percent of all gross premiums charged for such insurance. The surplus lines agent shall collect from the insured the amount of the tax at the time of the delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance.
(4) This section does not apply as to insurance of, or with respect to, vessels, cargo, or aircraft written under s. 626.917, or as to insurance of risks of the state government or its agencies, or of any county or municipality or of any agency thereof. FL ST s 626.932.
Per Florida Bulletin 2015-1, public charter schools referenced on DOE site will be considered exempt from surplus lines premium tax and service fee.
In order to provide funds for emergency management, preparedness, and assistance, an annual surcharge of $2 per policy shall be imposed on every homeowner's, mobile home owner's, tenant homeowner's, and condominium unit owner's policy, and an annual $4 surcharge shall be imposed on every commercial fire, commercial multiple peril, and business owner's property insurance policy, issued or renewed on or after May 1, 1993. The surcharge shall be paid by the policyholder to the insurer. The insurer shall collect the surcharge and remit it to the Department of Revenue... The surcharge is not to be considered premiums of the insurer; however, nonpayment of the surcharge by the insured may be a valid reason for cancellation of the policy. For those policies in which the surplus lines tax and the service fee are collected and remitted to the Surplus Lines Service Office, as created under s. 626.921, the surcharge must be remitted to the service office at the same time as the surplus lines tax is remitted. All penalties for failure to remit the surplus lines tax and service fee are applicable for those surcharges required to be remitted to the service office... FL ST s 252.372.
Florida

Tax Allocation

FL ST s 626.932.

Limitations / Other

(1) The surplus lines agent is prohibited from absorbing such tax or, as an inducement for insurance or for any other reason, rebating all or any part of such tax or of his or her commission.

(2)(b) The agent shall pay interest on the amount of any delinquent tax due, at the rate of 9 percent per year, compounded annually, beginning the day the amount becomes delinquent. FL ST s 626.932.

Notes:

N/A

Georgia

Tax Rates Applied

4% quarterly. GA ST s 33-5-31.

Broker Requirements

(a) The surplus line broker shall remit to the Commissioner, on or before the fifteenth day of April, July, October, and January, at the time his or her quarterly affidavit is submitted, as a tax imposed for the privilege of doing business as a surplus line broker in this state, a tax of 4 percent on all premiums paid to the surplus line broker during the preceding quarter, less return premiums and exclusive of sums collected to cover state or federal taxes, on surplus line insurance subject to tax transacted by him or her during the preceding quarter as shown by his or her affidavit filed with the Commissioner.

(b) If this state participates in a cooperative agreement, compact, or reciprocal agreement with other states pursuant to Code Sections 33-5-40 through 33-5-44 and a surplus line policy covers risks or exposures located or to be performed both in and out of this state, the sum payable shall be computed based on an amount equal to 4 percent of that portion of the gross premiums allocated to this state plus an amount equal to the portion of premiums allocated to other states or territories on the basis of the tax rates and fees applicable to properties, risks, or exposures located or to be performed outside this state. GA ST s 33-5-31.

Tax Allocation

GA ST 33-5-31.

Limitations / Other

N/A

Notes:

N/A

Hawaii

Tax Rates Applied

4.68% quarterly. HI ST s 431:8-315.
Broker Requirements
(a) On or before March 15, 2011, each surplus lines broker shall pay to the director of finance, through the commissioner, a premium tax on surplus lines insurance transacted by the broker during 2010. On or before September 15, 2011, each surplus lines broker shall pay to the director of finance, through the commissioner, a premium tax on surplus lines insurance transacted by the broker after December 31, 2010, and before July 1, 2011. After June 30, 2011, within forty-five days after the end of each calendar quarter, each surplus lines broker shall pay to the director of finance, through the commissioner, a premium tax on surplus lines insurance transacted by the broker during the calendar quarter for insurance for which this State is the home state of the insured. The tax rate shall be in the amount of 4.68% of gross premiums, less return premiums, on surplus lines insurance allocated to this State. The tax rate and fees of other states shall be applied to the gross premiums, less return premiums, allocated to those states. HI ST s 431:8-315.

Tax Allocation
HI ST s 431:8-315.

Limitations / Other
(a) If any surplus lines broker fails to:
(1) File statements required by section 431:8-313; or
(2) Pay the premium tax required by section 431:8-315 when the tax is due, the surplus lines broker may be liable for a fine of up to $25 for each day of delinquency. HI ST s 431:8-316.

Notes: N/A

Idaho
Tax Rates Applied
1.50% annually. ID ST s 41-1229.
0.5% stamping fee, charged monthly. Surplus Lines Association of Idaho.

Broker Requirements
(1) On or before the first day of March of each year each broker shall remit to the director a tax on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by him with unauthorized insurers during the preceding calendar year as shown by his annual statement filed with the director, and at the rate of one and five-tenths percent (1.5%). Such tax shall be in lieu of all other taxes upon such insurers with respect to the business so reported. ID ST s 41-1229
(01.) Idaho Premium Tax must be collected from an insured. This tax is charged on the premium paid. Policy fees, service fees, and other like fees are considered part of the premium and subject to premium tax. ID ADC 18.01.65.015.

For policies effective prior to 1/1/2016, the stamping fee is .25%.

Tax Allocation
ID ST 41-1229.

Limitations / Other
None

Notes: N/A

Illinois
Tax Rates Applied
3.5% semi-annually. An additional 1% Fire Marshal Tax on fire insurance. IL ST CH 215 s 5/445.
0.2% stamping fee, monthly. Surplus Lines Association of Illinois.
Broker Requirements

(3)(a)(ii) 3.5% for policies or contracts with an effective date of July 1, 2003 or later.
(b) Fire Marshal Tax. Each surplus line producer shall file with the Director on or before March 31 of each year a report in the form prescribed by the Director on all fire insurance procured from unauthorized insurers and submitted to the Surplus Line Association of Illinois subject to tax under Section 12 of the Fire Investigation Act and shall pay to the Director the fire marshal tax required thereunder. (Tax currently 1% of the fire premium (see 425 ILCS 25/12))
(3)(c) Surplus lines taxes, as well as countersigning fees charged by the Surplus Line Association of Illinois, may be charged to and collected from surplus line insureds. 215 ILCS 5/445.
   a) The surplus line producer shall pay to the Director as a surplus line tax a sum equal to the gross premiums less returned premiums multiplied by the surplus line tax rate set forth in Section 445 of the Code upon all surplus line insurance. The payment is due on or before February 1 of each year for the business processed through the Surplus Line Association during the six month period ending December 31 of the previous year and on August 1 of each year for the six month period ending June 30. The Surplus Line Association will report to each surplus line producer and to the Director the business processed during each six month period.
   b) The surplus line producer shall pay to the Director as a Fire Marshal Tax a sum equal to 1% of the gross premiums less returned premiums on all surplus line insurance subject to the tax required by Section 12 of the Fire Investigation Act [425 ILCS 25]. The payment is due in the month of March for the business processed through the Surplus Line Association for the preceding calendar year. The Surplus Line Association, prior to March 1, will report to each surplus line producer and to the Director the business subject to this Fire Marshal Tax processed during each calendar year.
   c) The surplus line tax and the Fire Marshal tax, when applicable, shall be due and payable on all surplus line business processed by the surplus line producer through the Surplus Line Association. 50 Ill. Adm. Code 2801.130.
For policies effective prior to January 1, 2015, the stamping fee is 0.1%.

Tax Allocation
IL ST CH 215 s 5/445(3).

Limitations / Other
None

Notes:
N/A

Indiana

Tax Rates Applied
2.5% semi-annually. IN ST 27-1-15.8-4.

Broker Requirements
Sec. 4. (a) In addition to all other charges, fees, and taxes that may be imposed by law, a surplus lines producer licensed under this chapter shall, on or before February 1 and August 1 of each year, collect from the insured and remit to the department for the use and benefit of the state of Indiana an amount equal to two and one-half percent (2 ½ %) of all gross premiums upon all policies and contracts procured by the surplus lines producer under the provisions of this section during the preceding six (6) month period ending December 31 and June 30, respectively. The declarations page of a policy referred to in this subsection must itemize the amounts of all charges for taxes, fees, and premiums. IN ST 27-1-15.8-4.

Tax Allocation
IN ST 27-1-15.8-4.

Limitations / Other
N/A
Iowa

Tax Rates Applied
1% annually. IA ST s 432.1; IA ST s 507A.9.

Broker Requirements
(3) ... For surplus lines insurance, the applicable percent, as provided in subsection 4, shall be calculated on the amount of premiums written on surplus lines insurance policies where the home state of the insured, as defined in chapter 515I, is Iowa.
(4)(e.) For the 2007 and subsequent calendar years, one percent (1%). IA ST s 432.1

1. For all premiums collected during the calendar year, except premiums on lawfully procured surplus lines insurance, every unauthorized insurer shall pay to the commissioner of insurance before March 1, next succeeding the calendar year in which the insurance was so effectuated, continued, or renewed a premium tax on gross premiums charged for such insurance on subjects resident, located, or to be performed in this state equal to the applicable percent, as provided in section 432.1. Such insurance whether procured through negotiation or an application, in whole or in part occurring or made within or outside of this state, or for which premiums in whole or in part are remitted directly or indirectly from within or outside of this state, shall be deemed to be insurance procured or continued in this state. The term “premium” includes all premiums, membership fees, assessments, dues, and any other consideration for insurance. If the tax prescribed by this section is not paid within the time stated, the tax shall be increased by a penalty of twenty-five percent and by the amount of an additional penalty computed at the rate of one percent per month or any part thereof from the date such payment was due to the date paid. IA ST s 507A.9.

Tax Allocation
IA ST s 507A.9.

Limitations / Other
N/A

Notes: N/A

Kansas

Tax Rates Applied
6% annually. KS ST s 40-246c.

Broker Requirements
(a) On March 1 of each year, each licensed agent shall collect and pay to the commissioner a tax of 6% on the total gross premiums charged, less any return premiums, for surplus lines insurance transacted by the licensee pursuant to the license for insureds whose home state is this state. KST ST 40-246c.

(a) The excess lines agent who actually places business with a non-admitted insurer shall file the affidavit and annual statement reporting forms prescribed by the commissioner. Other excess lines agents shall file only the affidavit form prescribed by the commissioner. Each excess line agent shall file the appropriate form or forms with the department, on or before March 1st of each year, and shall include a tax remittance in the amount of 6% of the gross premium for all policies written on risks that were placed during the preceding calendar year. KS ADC 40-8-7.

Tax Allocation
KS ST s 40-246c.
Limitations / Other

(b) The tax on any portion of the premium unearned at termination of insurance, if any, having been credited by the state to the licensee shall be returned to the policyholder directly by the surplus lines licensee or through the producing broker. A surplus lines licensee is prohibited from rebating any part of the tax for any reason. KS ST 40-246c.

Notes: N/A

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**Kentucky**

**Tax Rates Applied**

3% quarterly. KY ST s 304.10-180.

1.8% premium surcharge. KY ST s 136.392, see also Kentucky DOI website for current premium surcharge.

Municipal taxes. KY ST s 91A.080. See KY Bulletin 2016-01.

**Broker Requirements**

(1) (a) A tax at the rate of three percent (3%) on the premiums, assessments, fees, charges, or other consideration deemed part of the premium as defined in KRS 304.14-030, on surplus lines insurance subject to tax transacted by him or her with unauthorized insurers during the preceding calendar quarter as shown by his or her quarterly statement filed with the commissioner in accordance with KRS 304.10-170. The tax shall not be assessed on the premium surcharge tax, the local government premium tax, or any other state or federal tax. The tax shall be remitted to the commissioner within thirty (30) days of the end of each calendar quarter. When collected the tax shall be credited to the insurance regulatory trust fund, as established by KRS 304.2-400. KY ST s 304.10-180.

(4) Surplus lines premium tax shall be:
(a) Computed at the rate of three percent (3%) on the premiums, assessments, fees, charges, or other consideration deemed part of the premium as shown on the quarterly report;
(b) Payable to the Kentucky State Treasurer; and
(c) Remitted to the Kentucky Department of Insurance, along with the quarterly report, within thirty (30) days of the end of each calendar quarter for all surplus lines transactions during the preceding calendar quarter. 806 KY ADC 10:030.

(1) (a) Every domestic, foreign, or alien insurer, 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 KRS 136.340, 136.350, 136.370, or 136.390, shall charge and collect a surcharge of one dollar and fifty cents ($1.50) upon each one hundred dollars ($100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether the charges are designated as premiums, assessments, or otherwise. (exceptions listed at 136.392(5)). KY ST s 136.392.

**Tax Allocation**

KY ST s 304.10-180.

**Limitations / Other**

N/A

**Notes:** N/A

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**Louisiana**

**Tax Rates Applied**

Broker Requirements

A. (1) There shall be a tax of four and eighty-five one hundredths of one percent (4.85%) per annum on the gross premium for all surplus lines of insurance for which Louisiana is the home state of the policyholder as defined in R.S. 22:46(8.1). The commissioner shall collect the tax and deposit it with the state treasurer who shall credit it to the state general fund.

(2) On or before March first, June first, September first, and December first of each year, each surplus lines broker shall transmit to the commissioner a surplus lines tax report and remit the tax payable pursuant to this Subsection. LA R.S. 22:439

Find DOI guidance on calculating, reporting, and paying surplus lines taxes as a result of the withdrawal of Louisiana from NIMA and the reduction of the surplus lines tax rate in LA Bulletin 2015-06.

Tax Allocation

LA R.S. 22:1265.

Limitations / Other

A.(2) The premium and premium tax on a surplus lines policy must be separately stated on the declaration page.

B.(1) No insurer or its officer, employee, producer or other representative will charge or receive any fee, compensation, or consideration for insurance which is not included in the premium quoted to the insured and the premium specified in the policy delivered to the insured, except for the premium tax on a surplus lines policy which must be separately stated, and except for reimbursement for expenses due the producer, and except for an agency fee, if any, as authorized hereunder.

B.(2)(a) A single invoice may be used to make known all charges. Each such charge must be prominently disclosed and itemized separately on the invoice. LA R.S. 22:855.

Notes:

N/A

Maine

Tax Rates Applied

3% within 45 days of end of quarter and annually. ME ST T. 36 s 2531.

Broker Requirements

2. Rate and incidence of tax. Except as otherwise provided in section 2519 or 2532, the rate of taxation is 3% of the premiums subject to tax under this section. For all coverage placed in accordance with Title 24-A, chapter 19, the tax must be paid by the surplus lines producer. For all other nonadmitted insurance, the tax must be paid by the insured. ME ST T. 36 s 2531. See also ME Bulletin 378.

Tax Allocation

ME ST T. 36 s 2531.

Limitations / Other

N/A

Notes:

N/A

Maryland

Tax Rates Applied

3% quarterly and semi-annually. MD Insurance s 3-324; MD ST s 3-325.
Broker Requirements

(b) The premiums charged for surplus lines insurance are subject to a premium receipts tax of 3 percent on all gross premiums, less any returned premiums, charged for surplus lines insurance.

(f)(1) On delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance, a surplus lines broker must charge the insured the amount of the premium receipts tax in addition to the full amount of the gross premium charged by the insurer for the surplus lines insurance. MD INS s 3-324.

In general (a) On or before March 15 and September 15 of each year, or at another interval that the Commissioner directs, each surplus lines broker shall: (1) file with the Commissioner a report, on a form the Commissioner prescribes, on business subject to tax during the preceding half calendar year or other interval that the Commissioner directs; and (2) pay to the Commissioner the total amount of tax stated in the report. MD INS s 3-325.

Tax Allocation

MD INSURANCE s 3-324.

Limitations / Other

(g) A surplus lines broker may not do the following: (1) absorb the premium receipts tax; or (2) rebate all or part of the premium receipts tax or the surplus lines broker's commission. MD INS s 3-324.

Notes: N/A

Massachusetts

Tax Rates Applied

4% annually. MA ST 175 s 168.

Broker Requirements

(d) ... Each person so licensed shall file a sworn statement with the state treasurer every January providing the gross premiums charged for insurance procured or placed and the gross return premiums on such insurance cancelled under such license during the year ending on December 31 last preceding. At the time of filing such statement, each person licensed as a special insurance broker shall pay to the commonwealth a fee, less such return premiums so reported, as follows:

(1) if the insurance covers properties, risks or exposures located or to be performed in the commonwealth and not in any other state, an amount equal to four percent (4%) of such gross premiums;

(2) if the insurance covers properties, risks or exposures located or to be performed both in and outside of the commonwealth: (i) an amount equal to 4 per cent of such gross premiums allocated to the commonwealth; plus (ii) an amount equal to the portion of the premiums allocated to other states or territories on the basis of the tax rates and fees applicable to properties, risks or exposures located or to be performed outside of the commonwealth; and

(3) to the extent that other states where portions of the insured properties, risks or exposures are located have failed to enter into a compact or reciprocal allocation procedure with the commonwealth, the net premium tax collected shall be retained by the commonwealth. MA ST 175 s 168.

Tax Allocation

MA ST 175 s 168.

Limitations / Other

N/A

Notes: N/A
Michigan

Tax Rates Applied

2% plus 0.5% regulatory fee, semiannually. MI ST 500.451; MI ST 500.1905.

Broker Requirements

Any unauthorized insurer transacting insurance in this state shall be subject to a tax of 2% of premiums written in this state and to an additional regulatory fee of 0.5% on premiums written in this state. The tax required by this section shall be considered delinquent if not paid within 30 days after a copy of the computation of the tax by the commissioner is delivered to the insurer in the manner prescribed by law for the service of process. MI ST 500.451.

(3) To obtain a surplus lines license under subsection (1), a person shall do all of the following: ...(d) Agree to file with the commissioner, not later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed, and the amounts returned on the insurance canceled, under the license, for the preceding 6-month period ending December 31 and June 30, respectively; and at the time of filing the statement, paying to the commissioner the 2% tax on premiums written and, instead of the costs and expenses that may be imposed by the commissioner pursuant to this chapter, a 0.5% regulatory fee on premiums written as required by section 451. MI ST 500.1905.

Tax Allocation

MI ST 500.451.
(1) A licensee may not charge, in addition to the premium charged by an unauthorized insurer, a fee to cover the costs incurred in the placement of the indemnity which exceeds $50.00, unless all of the following conditions are met: (a) the fee in excess of $50.00 is filed with the commissioner and not disapproved by the commissioner within 30 days of the date it is filed with the commissioner; and (b) the fee exceeds $50.00 only to the extent that the actual additional costs incurred for services performed by persons or entities unrelated to the licensee exceed that amount.

(2) A fee charged pursuant to subsection (1) must not be excessive or discriminatory. The licensee must maintain complete documentation of all fees charged pursuant to subsection (1) (b). Those fees must not be included as a part of the policy premium in the computation of premium taxes. MI ST 500.451.

Rule 1. (1) A surplus lines licensee may charge, in addition to the premium charged by an unauthorized insurer, a fee to cover the costs incurred in the placement of the insurance which exceeds $50.00 when the actual costs incurred for services performed by persons or entities unrelated to the licensee exceed that amount. The fee allowable under this rule shall be adjusted annually pursuant to the provisions of section 1915 of the Insurance Code, 1956 PA 218, MCL 500.1915. Costs unrelated to the licensee include the costs incurred in obtaining any of the following:

(a) Government records.
(b) Inspection records.
(c) Financial ratings.
(d) Consumer investigation reports. Costs unrelated to the licensee do not include costs incurred in maintaining offices and compensating the licensee’s employees.

(2) All fees shall be itemized and the reason for each charge shall be clearly stated on the invoice issued to the insured.

(3) The licensee shall file both of the following with the commissioner in the form and manner prescribed by the commissioner:

(a) A report of all fees in excess of the amount allowable under subrule (1) of this rule charged by the licensee.

(b) An affidavit stating that the licensee has not received compensation for the cost of these services from the unauthorized insurer. MI ADC R 500.1251 Surplus lines insurance fee.

Pursuant to bulletin 2016-14-INS, effective June 1, 2016 through May 31, 2017, the maximum fee a surplus lines licensee may charge for costs, without application to the Director but subject to all requirements of Section 1915 quoted above, is $60.00. This fee reflects the annual percentage change from May 1, 2015, to the most recently reported CPI, April 30, 2016.

Notes: N/A

Minnesota

Tax Rates Applied
3% semiannually. MN ST s 297I.05
0.04% stamping fee for transaction effective on or after 10/1/16. Minnesota Surplus Lines Association.
Broker Requirements
(Subd. 7). Nonadmitted insurance premium tax.
(a) A tax is imposed on surplus lines brokers. The rate of tax is equal to three percent (3%) of the gross premiums less return premiums paid by an insured whose home state is Minnesota.
(c) No state other than the home state of an insured may require any premium tax payment for nonadmitted insurance. When Minnesota is the home state of the insured, as provided under section 297I.01, 100 percent of the gross premiums are taxable in Minnesota with no allocation of the tax to other states. MN ST s 297I.05.

Tax Allocation
MN ST s 297I.05.

Limitations / Other
Subd. 2. A surplus lines broker may charge a fee and commission, in addition to the premium, that is not excessive or discriminatory. A surplus lines broker must maintain complete documentation of all fees and commissions charged. MN ST s 60A.204.

(d) “Gross premiums” for nonadmitted insurance includes any payment made as consideration for an insurance contract for such insurance, including premium deposits, assessments, fees, and any other compensation given in consideration for a contract of insurance. Gross premiums does not include the stamping fee, as provided under section 60A.2085, subdivision 7, nor the operating assessment, as provided under section 60A.208, subdivision 8. MN ST s 297I.01 (Subd. 9).

Notes:
N/A

Mississippi
Tax Rates Applied
4% premium tax.MS ST s 83-21-25.
3% Windstorm Underwriting Association. MS ST s 83-34-4.
0.25% stamping fee. MS Bulletin 2012-3
Broker Requirements

1. The surplus lines insurance producer shall report under oath to the Commissioner of Insurance, within thirty (30) days from the first of January and July of each year, the amount of gross premiums received by him for such insurance in nonadmitted insurers, and shall pay to the Commissioner of Insurance a tax of four percent (4%) thereon. The term “gross premiums” shall mean the total gross amount of premiums received on each and every surplus lines insurance contract, less returned premiums. MS ST s 83-21-25.

(1) Nonadmitted insurers shall not be assessable insurers of the association. All surplus lines insurance producers placing insurance through nonadmitted insurers shall collect from the insured and remit to the association a nonadmitted policy fee on all premiums for all insurance written by such surplus lines insurance producer for a policy from a nonadmitted insurer for any and all risks in this state, except that policies or portions thereof that cover residential earthquake risks or residential flood risks that are not written through the National Flood Insurance Program shall be exempt from the nonadmitted policy fee. By procuring or selling insurance on property in this state from a nonadmitted insurer, each surplus lines insurance producer placing insurance through a nonadmitted insurer agrees to be bound by the provisions of this chapter and to collect and remit the nonadmitted policy fee provided for herein.

2. The nonadmitted policy fee shall be a percentage of the total policy premium but the nonadmitted policy fee shall not be considered premium and is not subject to premium taxes or commissions. However, failure to pay the nonadmitted policy fee shall be treated the same as failure to pay premium. “Total policy premium” includes taxes and commissions.

3. The nonadmitted policy fee percentage shall be three percent (3%). MS ST s 83-34-4.

Tax Allocation

MS ST s 83-21-25, MS ST s 83–21–18.

Limitations / Other

N/A

Notes:

N/A

Missouri

Tax Rates Applied

5% annually. MO ST 384.059; MO ST s 384.061.

Broker Requirements

1. There is hereby imposed on surplus brokers for the privilege of doing the business of a surplus lines broker in this state a tax of five percent (5%) of the net premium received with respect to surplus lines insurance on risks located in this state ... “[N]et premiums” means the gross amount of charges for surplus lines insurance exclusive of sums collected for the payment of federal, state and local taxes, less returned premiums. The tax shall be paid before April sixteenth of each year.

2. A surplus lines broker may collect an amount equal to the premium tax from an insured. MO ST s 384.059.

1. Notwithstanding any other provision of this chapter or regulation implementing a provision of this chapter, the five percent tax on net premiums imposed by sections 384.051 and 384.059 shall be levied upon and only upon the entire gross premium for nonadmitted or surplus lines insurance policies for which the home state of the insured is Missouri. MO ST s 384.061.

Tax Allocation

MO ST 384.061.
Montana

Tax Rates Applied

2.75% annually. MT ST 33-2-311; MT ST 33-2-705.

0.25% stamping fee if paper policy is filed; 0% if filed electronically. MT ADC 6.6.2804; MT Memorandum 12-6-2011

2.5% additional tax on fire portions. MT ST 50-3-109.

Broker Requirements

(2)(a) Except as provided in subsection (2)(b), coincident with the filing of the tax report referred to in subsection (1) and subject to 33-2-709, each insurer shall pay to the commissioner a tax on the net premiums computed at the rate of 2.75%. MT ST 33-2-705.

(1) Except as provided in 33-2-323, when this state is the home state of the insured, the surplus lines insurance producer shall collect from the insured and pay to the commissioner a tax on premiums collected for surplus lines insurance transacted in this state. The amount of premiums collected and the tax rate must be computed in the same manner as provided in 33-2-705 as to premiums of authorized insurers, except that amounts collected from the insured specifically for applicable state and federal taxes in excess of the premium otherwise required, or fees imposed by the surplus lines insurance producer pursuant to 33-2-320, are not considered to be part of the premium for the purposes of the computation. Upon filing of the tax and fee statement referred to in 33-2-310, the surplus lines insurance producer shall pay to the commissioner the amount of tax owing as to surplus lines insurance business transacted by the surplus lines insurance producer during the preceding reporting period as well as the stamping fee on the premium payable by the insured regardless of whether the coverage includes risks or exposures partially located or to be performed in another state. MT ST 33-2-311.

(1) Each insurer authorized to effect insurance on risks enumerated in subsection (2) that is doing business in this state shall pay to the state auditor during the month of February or March in each year, in addition to the taxes on premiums required by law to be paid by it, taxes on the fire portion of the direct premiums on the enumerated risks received during the previous calendar year after deducting cancellations and return premiums. A tax of 2 1/2% must be deposited in the general fund as provided in 33-2-708. MT ST 50-3-109.

Collection of Stamping Fee;

(1) Pursuant to 33-2-321, MCA, the department shall collect a stamping fee on the base premium, including any monied endorsement, payable for each surplus lines insurance policy transacted in the state.

(2) The stamping fee is equal to:

(a) one percent of the base premium for paper (hard copy) submissions; and

(b) one-half percent of the base premium for electronically filed submissions via the surplus lines business portal via the department’s web site.

(3) Effective January 1, 2012, the stamping fee is equal to:

(a) one-quarter percent of the base premium for paper (hard copy) submissions; and

(b) no charge for electronically filed submissions via the surplus lines business portal via the department’s web site.

MT ADC 6.6.2804; MT Memorandum 12-6-2011.

Tax Allocation

MT ST s 33-2-311.
Limitations / Other

(1) Amounts collected from an insured specifically for applicable state and federal taxes, and in excess of the premium otherwise required, are not considered to be part of the premium for the purposes of the computation. MT ST 33-2-311.

Notes: N/A

Nebraska

Tax Rates Applied

3% quarterly. NE ST s 44-5506.
0.75% on fire peril lines. NE ST s 81-523.

Broker Requirements

(1) Every surplus lines licensee transacting business under the Surplus Lines Insurance Act shall, on or before March 1 for the quarter ending the preceding December 31, June 1 for the quarter ending the preceding March 31, September 1 for the quarter ending the preceding June 30, and December 1 for the quarter ending the preceding September 30 of each year, make and file with the department a verified statement upon a form prescribed by the department or a designee of the director which shall exhibit the true amount of all such business transacted during that period.

2)(a) Every surplus lines licensee transacting business under the Surplus Lines Insurance Act shall collect and pay to the director or the director’s designee, at the time the statement required under subsection (1) of this section is filed, a sum based on the total gross premiums charged, less any return premiums, for surplus lines insurance provided by the licensee pursuant to the license on behalf of an insured whose home state is the State of Nebraska. In no event shall such taxes be determined on a retaliatory basis pursuant to section 44–150.
(b) The sum payable shall be computed based on an amount equal to three percent (3%) of the premiums for insurance that covers properties, risks, or exposures located or to be performed in the United States, to be remitted to the State Treasurer in accordance with section 77–912. NE ST s 44-5506 (Effective January 1, 2017).

See also NE Bulletin CB-137 for further details, as well as the Department of Insurance Frequently Asked Questions relating to Surplus Lines.

(1) For the purpose of maintaining the office of the State Fire Marshal and such other fire prevention activities as the Governor may direct, every foreign and alien insurance company including nonresident attorneys for subscribers to reciprocal insurance exchanges shall, on or before March 1, pay a tax to the Director of Insurance of three-fourths of one percent of the gross direct writing premiums and assessments received by each of such companies during the preceding calendar year for fire insurance business done in this state. NE ST s 81-523

Tax Allocation

NE ST s 44-5506.

Limitations / Other

(4)(c)(ii) A surplus lines licensee is prohibited from rebating any portion of the tax for any reason. NE ST s 44-5506.

Notes: N/A

Nevada

Tax Rates Applied

3.5% quarterly. NV ST 685A.155; NV ST 685A.190.
0.4% stamping fee. Nevada Bulletin 2011-002.
**Broker Requirements**

1. Except as otherwise provided in subsection 6, on or before the date described in subsection 2 of NRS 685A.175 for each quarter, each broker shall pay as directed by the Commissioner a tax on surplus lines coverages for which this State is the insured's home state written by the broker in unauthorized insurers during the preceding calendar quarter at the same rate of tax as imposed by law on the premiums of similar coverages written by authorized insurers, in addition to any fees imposed pursuant to NRS 685A.075. NV ST 685A.180.

1. Except as otherwise provided in NRS 680B.033, 680B.0353, 680B.050 and 690C.110, for the privilege of transacting business in this State, each insurer shall pay to the Department of Taxation a tax upon his or her net direct premiums and net direct considerations written at the rate of 3.5 percent. NV ST 680B.027.

The requirement of exclusive home state taxation, pursuant to the NRRA of 2010 applies. If the home state of the insured risk is Nevada, then Nevada shall collect 100% of the nonadmitted-insurance premium tax pertaining to that risk, irrespective of whether that risk is a Nevada-only risk or a multi-state risk. Where Nevada is not the Home State of the insured risk, no premium-tax filing in Nevada is required. For such a risk, brokers should submit filings in the Home State, according to the laws of that state. NV Bulletin 12-005.

**Tax Allocation**

NV ST 685A.180.

**Limitations / Other**

A broker may charge a fee for procuring surplus lines coverage. Except as otherwise provided by agreement between the insurer and broker, the fee must not exceed 20 percent of the premium charged, after deduction of any other commissions, fees and charges payable to the broker. NV ST 685A.155.

2. Except as otherwise provided in this subsection, a broker who fails to pay the tax required by NRS 685A.180 is liable:

(a) If the aggregate amount of the tax owed by the broker is more than $50, for a penalty in the first year of delinquency in the amount of $1,000 or 125 percent of the delinquent tax, whichever is larger; or

(b) If the aggregate amount of the tax owed by the broker is $50 or less, for a penalty in the first year of delinquency in an amount equal to the amount of the delinquent tax. NV ST 685A.190.

**Notes:**

N/A

**New Hampshire**

**Tax Rates Applied**

3% annually. NH ST s 405-B:4; NH ST 405:29.
Broker Requirements

I. Every person who procures or causes to be procured or continues or renews insurance with a surplus lines company must collect and pay to the commissioner a sum based on the total gross premiums charged, less any return premiums, for surplus insurance provided by the licensee.

II. Where the insurance covers properties, risks, or exposures located or to be performed both within and outside New Hampshire, the sum payable must be computed based on the following: (a) an amount equal to 3 percent on that portion of the gross premiums allocated to New Hampshire, plus (b) an amount equal to the portion of the premiums allocated to other states or territories on the basis of the tax rates and fees applicable to properties, risks or exposures located or to be performed outside New Hampshire, less (c) the amount of gross premiums allocated to New Hampshire and returned to the insured. NH ST s 405-B:4.

I. Each licensed producer shall file with the commissioner, not later than January 31st of each year, a sworn statement of the gross premiums charged for insurance procured or placed and the gross return premiums on such insurance cancelled under such license during the year ending on December 31 next preceding, and at the time of filing such statement shall pay to the state treasurer a sum equal to 3 percent of such gross premiums less such return premiums reported.

II. Any producer failing to file the report or failing to remit the proper tax within the time period for filing shall pay a penalty equal to 10 percent of the amount of tax due.

III. Each producer filing under this section shall be subject to the provisions of RSA 400-A:32-a. NH ST s 405:29.

Tax Allocation

NH ST s 406-B:11.

Limitations / Other

None

Notes:

N/A

New Jersey

Tax Rates Applied

5% quarterly. NJ ST 17:22-6.59; NJ ADC 11:17B-3.2.

For fire insurance in specified locations only, 3% must be paid to the NJ State Firemen's Association and the remaining 2% must be paid to the commissioner. NJ ST 17:22-6.59; NJ Bulletin 09-21.
Broker Requirements

The premiums charged for surplus lines coverages are subject to a premium receipts tax of 5 percent of all gross premiums less any return premiums charged for such insurance. A surplus lines agent must collect from an insured, either directly or through the originating broker, the amount of the tax, in addition to the full amount of the gross premium charged by the insurer for the insurance; provided, however, that the tax on any unearned portion of the premium shall be returned to the policyholder by the surplus lines agent. The surplus lines agent shall forward to the commissioner together with his quarterly report submitted pursuant to section 24 of P.L.1960, c.32 (C.17:22-6.58) a check in the amount of the premium receipts tax due for that period made out to "the State of New Jersey," except that where the policies cover fire insurance on property in any municipality or portion of a township, or fire district in this State, which now has or may hereafter have, a duly incorporated firemen's relief association, 3% of the premium receipts tax covering such insurance shall be paid to the treasurer of the New Jersey State Firemen's Association and the remaining 2% of the premium receipts tax shall be forwarded to the commissioner. NJ ST s 17:22-6.59. See also NJ Bulletin 09-21.

(b) All licensed surplus lines producers shall, on or before the due dates set forth in this subsection following each calendar quarter, remit premium taxes and surcharges utilizing the forms set forth on the Department's website: www.njslasuite.com. The due dates for these filings are as follows: May 15, August 14, November 14 and February 14. The requirements in this subsection shall apply beginning with the filing covering the calendar quarter occurring immediately following May 18, 2015. NJ ADC 11:19-3.3.

Tax Allocation

NJ ST s 17:22-6.59.

Limitations / Other

A surplus lines agent is prohibited from absorbing such tax, or as an inducement for insurance or for any other reason, rebating all or any part of such tax or of the surplus lines agent's commission. NJ ST 17:22-6.59.

(a) An insurance producer may charge a fee for services rendered in the sale or service of personal lines property/casualty or personal lines surplus lines insurance subject to the following conditions:

1. no service fee for any one policy will exceed $20;
2. no insurance producer may charge a fee for completing accident or claim report forms, nor will a fee be charged for providing forms required by an insurer for servicing a policy;
3. an inspection fee may only be charged on a surplus lines policy and must not exceed 2 percent of the premium or $10, whichever is greater, except that an insured may be charged the actual amount paid to an unrelated firm or person for the service if said firm or person is not an insurance agent or insurance broker;
4. no charge may be made for services not actually performed;
5. a maximum service fee of $15 may be charged by an insurance producer acting as an insurance broker or an insurance consultant upon placement of a renewal, except that an inspection fee may be charged in accordance with (a)3 above if no inspection of the property has occurred during the three years prior to issuance of the renewal policy; and
6. only one service fee per policy per year will be charged, regardless of whether the policy term is for less than one year.

NJ ADC 11:17B-3.2.

Notes:

N/A
Tax Rates Applied
3.003% quarterly. NM ST s 59A-14-12; NM ST s 59A-6-2

Broker Requirements
A. Within sixty days after expiration of a calendar quarter, the surplus lines broker shall pay to the superintendent for the use of the state a tax on gross premiums received, less returned premiums, on surplus lines business where New Mexico is the home state of the insured transacted under the surplus lines broker’s license during such calendar quarter as shown by the quarterly statement filed with the superintendent pursuant to Section 59A-14-11 NMSA 1978. The tax shall be at the same rate as is applicable to premiums of authorized insurers under Section 59A-6-2 NMSA 1978.

B. For purposes of this section, “premiums” shall include any additional amount charged the insured, including policy fees, risk purchasing group fees and inspection fees; but “premiums” shall not include any additional amount charged the insured for local, state or federal tax; regulatory authority fee; or examination fee, if any. NM ST s 59A-14-12.

B. Each such taxpayer shall pay in accordance with this subsection a premium tax of three and three-thousandths percent (3.003%) of the gross premiums and membership and policy fees received or written by it, as reported in Schedule T and supporting schedules of its annual financial statement on insurance or contracts covering risks within this state 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. NM ST s 59A-6-2.

Tax Allocation
NM ST s 59A-14-12.

Limitations / Other
N/A

Notes:
N/A

New York

Tax Rates Applied
3.6% annually. NY INS s 2118; 11 NY ADC 27.8. 0.17% stamping fee. ELANY Bulletin No. 2016-24.

Broker Requirements
(d)(1) Where this state is the insured’s home state, a person, firm, association or corporation licensed pursuant to the provisions of section two thousand one hundred five of this article shall pay to the superintendent a sum equal to three and six-tenths percent (3.6%) of the gross premiums charged the insureds by the insurers for insurance procured by such licensee pursuant to such license, less the amount of such premiums returned to such insureds. NY INS s 2118.

(c) Every excess line broker shall pay to the superintendent a sum equal to three and six-tenths percent (0.036) of the total gross premium charged the insured, less the amount of premiums returned to the insured. 11 NY ADC 27.8 (Regulation 41).

Tax Allocation
Limitations / Other

A producing broker or excess line broker, when the insured's home state is New York, must not charge an insured any amount (including reimbursement for premium taxes or stamping fees), other than the premiums for the policy or insurer's policy fee, if any, unless the broker obtains a written memorandum, signed by the insured, specifying the amount and purpose in accordance with section 2119 of the Insurance Law. 11 NY ADC 27.12.

Notes: N/A

North Carolina

Tax Rates Applied
5%. NC ST s 58-21-85. 0.4% stamping fee as of January 1, 2017. North Carolina Surplus Lines Association.

Broker Requirements
(a) Gross premiums charged, less any return premiums, for surplus lines insurance on insureds for whom North Carolina is the home state are subject to a premium receipts tax of 5 percent, which must be collected in a manner approved by the Commissioner, in addition to the full amount of the gross premium charged by the insurer for the insurance. NC ST s 58-21-85.

Tax Allocation
NC ST s 58-21-85.

Limitations / Other
(a) A surplus lines licensee is prohibited from absorbing such tax and from rebating any part of such tax for any reason. NC ST s 58-21-85.

Notes:
2015 NC HB 262 allows for the formation and operation by the North Carolina Surplus Lines Association of a stamping office to process all surplus lines tax filings in North Carolina effective January 1, 2017.

North Dakota

Tax Rates Applied
1.75% annually. ND ST 26.1-44-03.1; ND ST 26.1-44-06.1.

Broker Requirements
1. If the insured’s home state is North Dakota, in addition to the full amount of gross premiums charged by the insurer for the insurance, on properties, risks, or exposures located or to be performed in this state or another state, every surplus lines producer must collect and pay to the commissioner a sum equal to 1½ percent of the gross premiums charged, assessments, membership fees, subscriber fees, policy fees, and service fees, less any return premiums, for surplus lines insurance provided by the surplus lines producer. ND ST 26.1-44-03.1.

Tax Allocation
ND ST 26.1–44–03.1.

Limitations / Other
2. A surplus lines producer is prohibited from rebating any part of the tax for any reason. ND ST 26.1-44-03.1.

Notes: N/A

Ohio

Tax Rates Applied
5% annually. OH ST s 3905.36.
Broker Requirements

(A) Every insured association, company, corporation, or other person that enters, directly or indirectly, into any independent procurement or direct placement agreement with any insurance company, association, individual, firm, underwriter, or Lloyd's, not authorized to do business in this state, whereby the insured shall procure, continue, or renew contracts of insurance with such unauthorized insurance company, association, individual, firm, underwriter, or Lloyd's, for which insurance there is a gross premium, shall file the details of the transaction annually, on or before the thirty-first day of March, and shall at the same time pay to the treasurer of state, or to the superintendent of insurance upon the mutual agreement of the superintendent and the treasurer, a tax of five per cent of such gross premium, after a deduction for return premium, if any, as calculated in the prescribed format or in compliance with any requirements of the compact entered into by the superintendent pursuant to division (D) of section 3905.33 of the Revised Code. An insurer may submit the required details of the transaction and remit the tax payment on behalf of an insured.

(B) Each person licensed as a surplus lines broker must pay to the treasurer of the State of Ohio, or to the superintendent of insurance upon the mutual agreement of the superintendent and the treasurer, 5 percent of the balance of the gross premiums charged for insurance placed or procured under the license after a deduction for return premiums in the prescribed format or in compliance with any requirements of the surplus lines insurance compact entered into by the superintendent pursuant to division (D) of section 3905.33 of the Revised Code. The tax must be collected from the insured by the surplus lines broker who placed or procured the policy of insurance at the time the policy is delivered to the insured. OH ST s 3905.36.

Tax Allocation

OH ST s 3905.36.

Limitations / Other

None

Notes:

N/A

Oklahoma

Tax Rates Applied

6%. If premium tax of previous year is greater than $1,000, must submit quarterly estimates. OK ST T. 36 s 1115; OK ST T. 36 s 629.
Broker Requirements

A. Where Oklahoma is the home state of the insured, every person licensed pursuant to Section 1106 of this title shall collect and pay as provided in subsections A through H of this section, a sum for premium tax based on the total gross premiums charged in connection with any broker-procured surplus lines insurance, less any return premiums, for surplus lines insurance provided by the licensee pursuant to the license sold to the Oklahoma home-state insured by the surplus lines broker or licensee.

B. Where Oklahoma is the home state of the insured and the insurance covers properties, risks or exposures located or to be performed both in and out of Oklahoma, the sum payable to the Oklahoma Insurance Commissioner shall be computed based on an amount equal to six percent (6%) on that portion of the total gross premiums allocated to Oklahoma, plus an amount equal to the portion of the premiums allocated to other states or territories on the basis of tax rates and fees applicable to whether the properties, risks or exposures are located or to be performed inside or outside Oklahoma pursuant to subsection H of this section less the amount of gross premium unearned at termination of the surplus lines insurance. OK ST T. 36 s 1115.

A. Every insurance company transacting business in this state whose premium tax, paid with respect to the previous calendar year's premiums, was One Thousand Dollars ($1,000.00) or more, shall make an estimate each year as provided herein and remit with each estimate a prepayment of its annual premium tax for the current calendar year equal to one-fourth (1/4) of its annual premium tax paid with respect to the previous calendar year's premiums. Estimates, with remittance, shall be made on or before April 15, June 15, September 15 and December 15, respectively. OK ST T. 36 s 629.

Effective October 31, 2016, OID requires SL brokers to file quarterly tax form and premium tax payments electronically. OK Special Notice.

Tax Allocation

OK ST T. 36 s 1115.

Limitations / Other

B. A surplus lines licensee or broker is prohibited from rebating any part of the tax for any reason.

J. Flood insurance policies where Oklahoma is the home state of the insured and the insurance covers properties, risks, or exposures located in Oklahoma are exempt from the surplus line premium tax. OK ST T. 36 s 1115. See also Oklahoma Bulletin 9/10/2015.

Notes: N/A

Oregon

Tax Rates Applied

2%. OR ST s 735.470.
0.3% State Fire Marshal Tax. OR ST s 735.470.
$15 flat Surplus Lines Service Charge for new or renewal policies but not for endorsements.

Oregon Surplus Line Association.
Broker Requirements
(a) A surplus lines licensee must pay the Director of the Department of Consumer and Business Services a surplus lines premium tax equal to two percent (2%) of the gross amount of premiums received on Oregon home state risks as shown in the report required by ORS 735.465.
(b) Notwithstanding ORS 731.820 the surplus lines licensee shall also pay to the director a tax equal to 0.3 percent of the premium or fees charged by the insurer or the insurer's insurance producer and other intermediaries for the insurance, for the purpose of maintaining the office of the State Fire Marshal and paying the expenses incident thereto.
(c) The taxes must be collected by the surplus lines licensee as specified by the director, in addition to the gross amount of premiums charged by the insurer or the insurer's insurance producer and other intermediaries for the insurance. OR ST s 735.470(1).

Tax Allocation
OR ST s 735.470.

Limitations / Other
(1)(c) A surplus lines licensee is prohibited from absorbing the taxes, and from rebating any part of the taxes for any reason. OR ST s 735.470.

Notes: N/A

Pennsylvania
Tax Rates Applied
3% annually. PA ST Ti. 40 P.S. s 991.1621.
$25 stamping fee for filings received within 45 days of effective date of placement, $50 stamping fee for filings received after 45 days of filing. Pennsylvania Surplus Lines Association.

Broker Requirements
(a)(1) There is hereby levied a tax of 3 percent on all premiums charged for insurance which is placed with either an eligible surplus lines insurer, other than a risk retention group, or other nonadmitted insurer in accordance with this article, such taxes to be based on the gross premiums charged less any return premiums. This tax will be in addition to the full amount of the gross premium charged by the insurer for the insurance.
(a)(3) The remittance for premium taxes due must accompany a report of all premiums transacted from the placement of insurance with either an eligible surplus lines insurer or other nonadmitted insurers during the previous calendar year. The surplus lines licensee must collect from the insured or the writing producer the amount of the tax at the time of delivery of the initial policy, cover note or other evidence of insurance or at the time thereafter as is reasonably consistent with normal credit terms customary in the business. PA ST Ti. 40 P.S. s 991.1621.

Tax Allocation
PA ST Ti. 40 P.S. s 991.1621.

Limitations / Other
(a)(3) Neither the surplus lines licensee nor the writing producer may pay directly or indirectly the tax or any portion of the tax, either as an inducement to an insured to purchase the insurance or for any other reason. PA ST Ti. 40 P.S. s 991.1621.

Notes: N/A

Rhode Island
Tax Rates Applied
4% annually. RI ST s 27-3-38; RI ADC 11-5-11:8 (Insurance Regulation 11).
Broker Requirements

(e) Every person, firm, or corporation licensed pursuant to the provisions of this section shall file with the insurance commissioner, at the time of the insurance producer license renewal, sufficient information as determined by the insurance commissioner whether a licensee or a person acting on the licensee’s behalf, has paid to the tax administrator, for all policies procured by the licensee pursuant to the license during the next preceding calendar year, a tax, computed at the rate of four percent (4%) on the gross premiums charged the insured by the insurers, less the amount of premiums returned to the insured. RI ST s 27-3-38.

Prior to license renewal the Department will obtain confirmation from the Tax Administrator that the Broker has paid a tax of four percent (4%) on the gross premiums charged the insured by the insurers for policies invoiced on or after July 1, 2010 and three percent (3%) for policies invoiced prior to July 1, 2010, less the amount of such premiums returned to such insureds for risks placed pursuant to the Broker’s license. The Department will not renew the license of any Broker for whom the Tax Administrator does not provide such confirmation. RI ADC 11-5-11:8.

Tax Allocation

RI ST s 27-3-38.1.

Limitations / Other

N/A

Notes:

N/A

South Carolina

Tax Rates Applied

6% quarterly. SC ST s 38-45-10; SC ST s 38-45-20; SC Bulletin 2012-9.

Broker Requirements

“Broker’s premium tax rate” means a blended tax rate of six percent (6%). The rate is comprised of a four percent (4%) state broker’s premium tax and a two percent (2%) municipal broker’s premium tax. SC ST s 38-45-10(13); SC Bulletin 2012-9.

One of broker requirements is payment to the department, within thirty days after March thirty-first, June thirtieth, September thirtieth, and December thirty-first each year, of the broker’s premium tax rate upon premiums for policies of insurers not licensed in this State. SC ST s 38-45-20(5).

Tax Allocation

SC ST s 38-45-30; SC Bulletin Number 2012-09.

Limitations / Other

No policy fee may be charged by a broker unless it is a reasonable fee, it is made part of the contract, and the broker’s premium tax rate is paid upon the policy fee. SC ST s 38-45-160.

Notes:

N/A

South Dakota

Tax Rates Applied

2.5% annually, unless paid more than $5,000 in surplus lines premium tax the previous year, then quarterly. SD ST s 10-44-2; SD ST s 58-32-44. An additional 0.5% for fire insurance policies. SD ST s 10-44-9.
Any company doing insurance business in this state shall pay a tax at the rates specified in this section. The tax shall be paid to the Division of Insurance at the time the company files its annual statement, or, if no annual statement is required, then before March first of each year. The rates are:

(3) On each insurer not licensed or not authorized to do business in this state the rate shall be computed as follows:
(a) Two and one-half percent (2.5%) of premiums, except for life insurance policies, other than credit life as defined in chapter 58-19, of a face amount of seven thousand dollars or less, for which the rate is one and one-fourth percent of premiums. SD ST s 10-44-2.

Every insurance company doing fire insurance business in this state, including a fire reciprocal insurer under chapter 58-34, shall pay in addition to the tax set forth in § 10-44-2 one-half of one percentum of the gross premium receipts of such company on all fire insurance business done in this state during the year next preceding as shown by its annual statement. SD ST s 10-44-9.

A broker is liable for a fine of twenty-five dollars ($25) for each day of delinquency commencing with the first day of April if the broker fails to remit the tax provided by §58-32-44 prior to the first day of April. SD ST s 58-32-46.

Guidance regarding surplus lines premium tax submissions and winding down of NIMA. SD Bulletin 16-05.

SD ST 58-32-45.

South Dakota DOI issued Bulletin 13-04 to provide guidance on rebating, fees, and commissions, including surplus lines brokers.

N/A
Broker Requirements

(b)(1) In addition to the full amount of gross premiums charged by the insurer for the insurance, every person licensed pursuant to § 56-14-104 must collect and pay to the commissioner a sum based on the total gross premiums charged, less any return premiums, for surplus lines insurance provided by the surplus lines agent pursuant to the license. Where the insurance covers an insured whose home state is this state, the sum payable must be computed based on an amount equal to five percent (5%) on the gross premiums, less the amount of gross premiums allocated to this state and returned to the insured.

(b)(8) A surplus lines agent must collect from the insured the amount of the tax at the time of delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance. TN ST s 56-14-113.

Beginning October 1, 2016, all Tennessee new and renewal policies effective on or after October 1, 2016, should be filed using the Clearinghouse SLIP platform. All transactions for policies effective on or after October 1, 2016 will be subject to a 0.175% (0.00175) transaction fee in addition to the 5% Tennessee surplus lines premium tax.

Surplus lines premium taxes for Tennessee policies effective on or after October 1, 2016 will now be paid quarterly. The first quarterly surplus lines premium tax and transaction fee invoices for Tennessee will be issued on Tuesday, January 3, 2017 (first business day following the end of the 4th quarter 2016). Bulletin 2016-CH-02.

Tax Allocation

TN ST s 56-14-113.

Limitations / Other

(b)(3) A surplus lines agent is prohibited from rebating any part of the tax for any reason.
(b)(8) No agent will absorb the tax nor shall any agent, as an inducement for insurance or for any other reason, rebate all or any part of the tax or the agent's commission.

Notes:

N/A

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Texas

Tax Rates Applied

4.85%. TX Ins s 225.004(a).

0.15% stamping fee. Surplus Lines Stamping Office of Texas.

Broker Requirements

(b) A surplus lines document must state the following in 11-point type: “...Chapter 225, Insurance Code, requires payment of a _____ (insert appropriate tax rate) percent tax on gross premium.”
(c) A surplus lines document must show the following: (1) the description and location of the subject of the insurance; (2) the coverage, conditions, and term of the insurance; (3) the premium and rate charged, and premium taxes to be collected from the insured; (4) the name and address of the following: (A) the insured; (B) the insurer; and (C) the insurance agent who obtained the surplus line coverage; and (5) if the direct risk is assumed by more than one insurer: (A) the name and address of each insurer; and (B) the proportion of the entire direct risk assumed by each insurer. TX Ins s 981.101.

(a) A tax is imposed on gross premiums for surplus lines insurance. The rate of the tax is 4.85 percent of the gross premiums. TX Ins s 225.004.

Tax Allocation

TX INS s 225.004.

Limitations / Other

None

Notes:

N/A
**Utah**

**Tax Rates Applied**

4.25% monthly. UT ST s 31A-3-301; UT ST s 31A-3-303; UT Bulletin 2011-4.  
0.15% stamping fee. UT ADC R590-157.

**Broker Requirements**

1(d) A policyholder must pay a tax on a surplus lines insurance transaction and must be billed specifically for the tax when billed for the premium. UT ST s 31A-3-303.

1(a) An insurance transaction under Section 31A-15-103 is subject to a tax of 4-1/4% of gross premiums, less 4-1/4% of return premiums paid to insureds by reason of policy cancellations or premium reductions.

2 The tax imposed by this section does not apply to ocean marine insurance. UT ST s 31A-3-301; UT Bulletin 2011-4.

**Stamping Fee Amounts**

A. The surplus lines stamping fee is .15 of 1% of the policy premium payable for the examination of a surplus lines transaction as required in Subsection 31A-15-103(11)(d).

B. Late surplus lines stamping fee payments may be subject to late fees of 25% of the stamping fee due plus 1 1/2% per month from the time of default until full payment of the fee.

C. A courtesy filing fee is not included as surplus lines premium for the purpose of computing taxes and stamping fees. UT ADC R590-157-4.

**Accounting procedures**

E. By the 25th day of each month the surplus lines producer shall remit payment in full to the Surplus Line Association amounts due shown on the monthly statement. Premium taxes and stamping fees shall be held in trust by the surplus lines producer until remitted to the Surplus Lines Association. UT ADC R590-157-6.


**Tax Allocation**

UT ST s 31A-3-303.

**Limitations / Other**

1(a) An insurer, the producers involved in the transaction, and the policyholder are jointly and severally liable for the payment of the taxes required under Section 31A-3-301.

1(e) Absorption of the tax on a surplus lines insurance transaction by a producer or insurer is an unfair method of competition under Sections 31A-23a-402 and 31A-23a-402.5. UT ST s 31A-3-303.

**Notes:**

N/A

**Vermont**

**Tax Rates Applied**

3% quarterly. VT ST T. 8 s 5035(a).
Broker Requirements

(a) Where Vermont is the home state of an insured, gross premiums charged, less any return premiums, for surplus lines coverages placed with nonadmitted insurers are subject to a premium receipts tax of 3 percent, which must be collected from the insured by the surplus lines broker at the time of delivery of policy or other confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance.... Where the insurance covers properties, risks, or exposures located or to be performed both within and outside Vermont, the sum payable must be computed based on gross premiums charged, less any return premiums, as follows: (1) an amount equal to 3 percent on that portion of the premiums applicable to properties, risks, or exposures located or to be performed in Vermont; plus (2) an amount equal to a percentage on that portion of the premiums applicable to properties, risks, or exposures located or to be performed outside Vermont. Such percentage must be determined based on the laws of the jurisdiction within which the property, risk, or exposure is located or to be performed. VT ST T. 8 s 5035.

Tax Allocation

VT ST T. 8 s 5036.

Limitations / Other

...Nothing contained in this section will preclude a surplus lines broker from charging a fee to the purchaser of the contract sufficient to recover the amount of the surplus lines tax...VT ST T. 8 s 5035(a).

Notes:

N/A

Virginia

Tax Rates Applied

2.25% quarterly if premium tax liability is expected to exceed $1,500. VA ST s 58.1-2501; VA ST s 38.2-4809.
Broker Requirements

A. For the privilege of doing business in the Commonwealth, there is hereby levied on every insurance company defined in § 38.2-100 which issues policies or contracts for any kind of insurance classified and defined in §§ 38.2-102 through 38.2-134 and on every corporation which issues subscription contracts for any kind of plan classified and defined in §§ 38.2-4201 and 38.2-4501, an annual license tax as follows:

1. For any kind of insurance classified and defined in §§ 38.2-109 through 38.2-134 or Chapters 44 (§ 38.2-4400 et seq.) and 61 (§ 38.2-6100 et seq.) of Title 38.2, except workers' compensation insurance on which a premium tax is imposed under the provisions of § 65.2-1000...such company shall pay a tax of two and one-fourth percent (2.25%) of its subscriber fee income or direct gross premium income on such insurance. VA ST s 58.1-2501.

A. 1. Every licensed surplus lines broker or any person required to be licensed as a surplus lines broker shall be subject to the annual taxes, license taxes, penalties, and other provisions of Article 1 (§ 58.1-2500 et seq.) of Chapter 25 of Title 58.1 on each policy of insurance procured by him during the preceding calendar year with an insurer not licensed to transact insurance business in this Commonwealth. For policies effective on or after July 1, 2011, such payments shall be made based on the direct gross premium income derived from policies for insureds whose home state is this Commonwealth.

B. 1. Each licensed surplus lines broker or any person required to be licensed as a surplus lines broker whose annual premium license tax liability can reasonably be expected to exceed $1,500 shall file a quarterly tax report with the Department of Taxation. Such report shall be in a form prescribed by the Department of Taxation. This report shall be filed no later than thirty calendar days after the end of each calendar quarter. Notwithstanding any provision to the contrary, each such person shall pay the premium license tax owed for the direct gross premiums adjusted for additional and returned premiums shown by each quarterly tax report when such report is filed with the Department of Taxation. VA ST s 38.2-4809.

Tax Allocation

VA ST s 38.2-4809.

Limitations / Other

N/A

Notes:

N/A

Washington

Tax Rates Applied

2% annually. WA ST 48.15.120; WA ST 48.14.020; WA ADC 284-15-110. 0.10% stamping fee. Surplus Line Association of Washington.
Broker Requirements

(1) On or before the first day of March of each year each surplus line broker must remit to the state treasurer through the commissioner a tax on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by him or her during the preceding calendar year as shown by his or her annual statement filed with the commissioner, and at the same rate as is applicable to the premiums of authorized foreign insurers under this code. The tax when collected must be credited to the general fund.

(2) For property and casualty insurance other than industrial insurance under Title 51 RCW, when this state is the insured's home state:

(a) If the surplus line insurance covers risks or exposures located inside the United States, its territories, or both, the tax so payable must be computed upon the entire premium under subsection (1) of this section, without regard to whether the policy covers risks or exposures that are located in this state; and

(b) If the surplus line insurance covers risks or exposures located outside of the United States and its territories, no tax under subsection (1) of this section is due or payable for the premium properly allocable to the risks and exposures located outside the United States and its territories.

(3) For all other lines of insurance, if a surplus line policy covers risks or exposures only partially in this state, the tax so payable must be computed upon the proportion of the premium that is properly allocable to the risks or exposures located in this state. WA ST 48.15.120.

(1) Subject to other provisions of this chapter, each authorized insurer except title insurers shall on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax on premiums. Except as provided in subsection (3) of this section, such tax shall be in the amount of two percent (2%) of all premiums, excluding amounts returned to or the amount of reductions in premiums allowed to holders of industrial life policies for payment of premiums directly to an office of the insurer, collected or received by the insurer under RCW 48.14.090 during the preceding calendar year other than ocean marine and foreign trade insurances, after deducting premiums paid to policyholders as returned premiums, upon risks or property resident, situated, or to be performed in this state. WA ST 48.14.020.

RCW 48.15.120 requires that surplus line brokers must, by the first day of March, remit to the state treasurer through the commissioner a premium tax on surplus line insurance transacted by the surplus line broker during the preceding calendar year. The date the insurance was transacted is the date coverage is bound or the date coverage is effective, whichever is later. WA ADC 284-15-110.

Tax Allocation

WA ST s 48.15.120.

Limitations / Other

N/A

Notes:

N/A

West Virginia

Tax Rates Applied

4.55% quarterly. WV ST s 33-12C-7; WV ADC 114-20-5.
Broker Requirements

(a) In addition to the full amount of gross premiums charged by an insurer for the insurance, every surplus lines licensee must collect and pay to the commissioner a sum equal to four and fifty-five one-hundredths percent of the gross premiums and gross fees charged, less any return premiums, for surplus lines insurance provided by the licensee pursuant to the license. Where the insurance covers properties, risks or exposures located or to be performed both within and outside West Virginia, and West Virginia is the insured’s home state, the sum payable must be computed on that portion of the gross premiums allocated to West Virginia, plus an amount equal to the portion of the gross premiums allocated to other states or territories on the basis of the tax rates and fees applicable to properties, risks or exposures located or to be performed outside West Virginia, and less the amount of gross premiums allocated to West Virginia and returned to the insured due to cancellation of policy.

(f)(1) This tax is required to be paid and remitted, on a calendar year basis and in quarterly estimated installments due and payable on or before the twenty-fifth day of the month succeeding the close of the quarter in which they accrued, except for the fourth quarter, in respect of which taxes shall be due and payable and final computation of actual total liability for the prior calendar year shall be made, less credit for the three quarterly estimated payments prior made, and filed with the annual return to be made on or before March 1 of the succeeding year. Provisions of this chapter relating to the levy, imposition and collection of the regular premium tax are applicable to the levy, imposition and collection of this tax to the extent that the provisions are not in conflict with this section. WV ST s 33-12C-7.

5.3.b. A policy with an effective date on or after July 1, 2011 and which is within a period that NIMA is not in effect in this state, is subject a tax of 4.55% on all premium, which amount is payable in the manner and at such times set forth on the Commissioner’s website. WV ADC 114-20-5.

Tax Allocation

WV ST s 33-12C-7.

Limitations / Other

(b) An individual insurance producer may not do the following: (1) pay directly or indirectly the tax or any portion thereof, either as an inducement to the policyholder to purchase the insurance or for any other reason; or (2) rebate all or part of the tax or the surplus lines licensee’s commission, either as an inducement to the policyholder to purchase the insurance or for any reason.

(c) A surplus lines licensee may charge a prospective policyholder a fee for the cost of underwriting, issuing, processing, inspecting, service or auditing the policy for placement with the surplus lines insurer if (1) the service is required by the surplus lines insurer; (2) the service is actually provided by the individual insurance producer or the cost of the service is actually incurred by the surplus lines licensee; and (3) the provision or cost of the service is reasonable, documented and verifiable. WV ST s 33-12C-7.

Notes: N/A

Wisconsin

Tax Rates Applied

3% annually. WI ST 618.43; WI ADC s Ins 6.17.
Broker Requirements

(1) Business subject to taxation.
(a) Subject to par. (bc), insurers, agents, brokers, and policyholders are liable, as provided in sub. (2), for a premium tax of 3 percent of gross premiums charged for insurance, excluding annuities, if any of the following is satisfied:

1. The insurance is transacted under s. 618.41(1) or 618.42.
2. The insurance is transacted by an unauthorized insurer that is a risk retention group, including a foreign risk retention group authorized to provide health care liability insurance under s. 655.23(3)(am) that has not been issued a certificate of authority under s. 618.12.
3. The insurance is transacted by an unauthorized insurer for a risk purchasing group.
(bc) Notwithstanding any other provision of this section, with respect to premiums charged on policies issued or renewed on or after July 21, 2011, for insurance to which par. (a) applies, the tax under par. (a) is required only if the home state of the insured is this state, and it shall be levied on the entire gross premium charged, including premium attributable to those portions of the risk located outside of this state.
(c) If the tax required under this subsection is not paid within the time prescribed under sub. (3), the commissioner shall impose a penalty of 25%, plus one percent per month from default until payment.
(d) Any insurance business transacted in violation of the law is subject to a premium tax of 5 percent of gross premiums charged for the insurance.

(2) Payment of tax. The insurance agent or broker and the policyholder are jointly and severally liable for the payment of the tax required under sub. (1) on business written under s. 618.41(1), and the insurer, insurance agent or broker and policyholder are jointly and severally liable for the payment of any other tax required under sub. (1). The tax shall ultimately be paid by the policyholder. WI ST 618.43.

(5) Report and payment of tax-surplus lines insurance. All premium tax collected by the surplus lines agent shall be reported and forwarded to the commissioner on or before March 1, for all insurance procured, renewed or continued during the preceding calendar year with unauthorized insurers. The report shall be made on a form substantially the same as Appendix 2 to this rule. WI ADC s Ins 6.17.

Tax Allocation

WI ST s 618.43.

Limitations / Other

(9)(b) The policy must include a description of the subject of the insurance, and indicate the coverage, conditions and term of the insurance, the premium charged and premium taxes to be collected from the policyholder, and the name and address of the policyholder and insurer. WI ST 618.41.

(2) Absorption of the tax by either the agent or broker or the insurer is an unfair method of competition under s. 628.34(2)(b). WI ST 618.43.

Notes:

N/A

Wyoming

Tax Rates Applied

3% quarterly. WY ST s 26-11-118; Surplus Lines Clearinghouse.
0.175% transaction fee. Surplus Lines Clearinghouse.
Broker Requirements

(c) In addition to the full amount of gross premiums charged by the insurer for the insurance, every surplus lines broker must collect and pay to the commissioner a sum equal to three percent (3%) of the gross premiums charged, less any return premiums, for surplus lines insurance provided by the surplus lines broker. Where the insurance covers properties, risks or exposures located or to be performed both in and out of Wyoming, the sum payable shall be computed based on: (i) An amount equal to three percent (3%) on that portion of the gross premiums allocated to this state; plus (ii) An amount equal to the portion of the premiums allocated to other states or territories on the basis of the tax rates and fees applicable to other properties, risks or exposures located or to be performed outside of Wyoming; less (iii) The amount of gross premiums allocated to this state and returned to the insured. WY ST s 26-11-118.

Tax Allocation

WY ST s 26-11-118.

Limitations / Other

(d) A surplus lines broker is prohibited from rebating any part of the tax for any reason. WY ST s 26-11-118.

Notes:

N/A

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