

Reporting Instructions for Surplus Lines Brokers for all new/renewal policies effective on and after 7/21/11 when Alaska is the Home State of the Insured and ALL endorsements invoiced 1-1-2013 or later

Reports filed by broker firms should include business written by all individual brokers working for that firm.

Quarterly Report:

This form must be filed by all brokers when business is transacted for the quarter. **The payment for taxes and fees are also due at the same time as the report.**

Due Dates:

June 1 -----
September 1 -----
December 1 -----
March 1 of following year -----

Months in the Quarter:

January, February, March
April, May, June
July, August, September
October, November, December

If no transactions for a quarter, do not file the Quarterly Report.

If the Quarterly Report is filed late or additional transactions are filed late, there will be a penalty assessed determined by how late the report/transactions were filed.

1 – 30 days late: \$100
31 – 60 days late: \$200
More than 60 days late: \$300

Report of Surplus Lines Transaction:

This form must be completed and submitted with the Quarterly Report for each insurance transaction occurring during the quarter. Do not combine multiple policy numbers or multiple transactions on one form. A transaction date is considered the policy effective date or the endorsement invoice date.

Subscription Policies:

Each insurance company involved in a subscription policy must be reported on the Report of Surplus Lines Transaction form with their applicable percentages and premium. For Lloyd's syndicates, see next section. If the subscription policy includes admitted and non-admitted companies, all companies are to be included on the transaction form. To calculate the tax, do not include the admitted company premium. To calculate the filing fee include all premium.

Lloyd's syndicates:

If the policy has only one syndicate, use the syndicate name and alien co-code from the Quarterly Listing of Alien Insurers. If more than one syndicate is involved, you have two options for reporting: either report the entire premium under co-code AA-1122000 and provide a list of the individual syndicates' numbers and the alien co-code for each or provide each syndicate name and alien co-code used with their correct percentages. All syndicates used must be on the Quarterly Listing or on our Alaska listing of eligible surplus lines insurers.

Endorsements:

The invoice date will determine in which quarter the endorsement is to be filed. **All endorsements invoiced 1/1/2013 and later are to be filed on the Quarterly Report regardless of the effective date of the policy.**

Statement of Exempt Premiums:

This form is to be submitted with the Quarterly Report when the insured qualifies as being exempt from tax and fees. Insurance of risks of state government or its political subdivision, to an agency of state government or its political subdivision, or to insurance of aircraft primarily engaged in interstate or foreign commerce.

Broker Fees:

Bulletin B 04-14 outlines the fees that must be included in the calculation of premium. Please read for details: <https://www.commerce.alaska.gov/web/portals/7/pub/Bulletins/B04-14.pdf>

Tax and Filing Fee:

Tax: 2.7%
Filing Fee: 1%

Payment method:

All taxes and filing fees must be paid by the Automated Clearing House (ACH) payment method. An on-time payment is one that is received in the State of Alaska's bank account by the due date. If payment is not made by ACH, a penalty of 25 percent of the tax due will be assessed, with a minimum of \$100 and maximum of \$2,000. For information to set up ACH, go to: <https://www.commerce.alaska.gov/ins/INSACHDebit/ACHLoginScreen.aspx>. An ACH debit payment will be rejected by the receiving bank if the submission contains inaccurate information and the payer will be subject to a penalty if the subsequent payment is received after the due date.

Late payment fee:

The penalty for paying the tax late is \$50 per month plus five percent of the tax due per calendar month, or part of a month, up to a maximum of \$250 plus 25 percent of the tax due, and interest of one percent per calendar month. The penalty for paying the filing fee late is \$250 plus two percent of the fee due per calendar month, or part of a month.

Wet Marine and Transportation:

If you placed wet marine and transportation risks, you must file the Unauthorized Insurer's Premium Tax Report, Form 08-1240, located on the web under Surplus Lines Brokers Premium Report Forms.

Home State:

"home state," for purposes of determining the home state of an insured in a multistate placement of nonadmitted insurance, is defined as follows:

(A) except as provided in (B) of this paragraph, "home state" means, with respect to an insured,

(i) the state in which an insured maintains its principal place of business or, in the case of an individual, the individual's principal residence; or

(ii) if 100 percent of the insured risk is located out of the state referred to in (i) of this subparagraph, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated;

(B) if two or more insureds from an affiliated group are named insureds on a single policy, "home state" under (A) of this paragraph is based on the member of the affiliated group that has the largest percentage of premium attributed to it under the insurance contract;

(C) for purposes of (A) of this paragraph, the principal place of business of an insured is the state where the insured maintains its headquarters and where the insured's high-level officers direct control and coordinate the business activities of the insured.