



REGULATORY ORDER NO. R 17-08

**ORDER REQUIRING USE OF NAIC OPTins FOR SUBMITTING INSURANCE
QUARTERLY REPORTS AND PAYMENTS UNDER AS 21.34.080, 21.34.170, 21.34.180
AND 21.34.190**

Background

Under Alaska Statute (AS) 21.34.080, surplus lines brokers are required to file transaction reports with the director of the division of insurance. Under AS 21.34.170, surplus lines brokers are required to file quarterly reports with the director, and under AS 21.34.190, surplus lines brokers are required to pay fees to the state for filing these statements. Under AS 21.34.180, surplus lines brokers are required to pay premium tax to the state.

AS 21.34.170 and 21.34.180 provide authority for the director to specify the method of filing and payment. Under 3 AAC 21.570, brokers are required to pay premium taxes and filing fees utilizing the Automated Clearing House (ACH) debit or credit payment system.

The Alaska Division of Insurance is changing the manner in which it will accept surplus lines quarterly reports, premium tax, and filing fees. Beginning with the 1st quarter 2018 filing due June 1, 2018, surplus lines brokers shall submit all quarterly reports and payments of premium taxes and filing fees using the *Online Premium Tax for Insurance (OPTins)* application operated by the National Association of Insurance Commissioners, an electronic filing solution for facilitating premium tax, surplus lines tax, assessments, and other state-specific tax filings. OPTins utilizes the ACH debit or credit payment system. Therefore, effective with the 1st quarter 2018 filing, the division will no longer directly accept the filing of quarterly reports and payments.

Brokers must complete the appropriate OPTins registration implementation forms to obtain a user ID and password prior to filing the quarterly reports through OPTins. The division advises brokers to register at least 30 days prior to June 1, 2018, as the registration process can take up to two weeks to complete. Instructions are available at: <http://www.optins.org>. Once registered and set up, brokers will be able to log in, upload their quarterly reports, and submit payments online. OPTins offers a reliable and user friendly means for submissions. Other than infrequent maintenance, the web application system is available 24 hours a day, 7 days a week.

While OPTins charges users a minimal service fee of 5% of the amount remitted with a minimum of \$1.00 to a maximum of \$10.00 per original report, the system is an inexpensive means for making these submissions. Moreover, the system does not charge any additional fees at this time for amending a report or submitting additional information requested by the division and users do not need to acquire special software or pay any software licensing fees.

Using OPTins saves brokers time and ensures that both the report and payments are received together and on time. **To implement OPTins, contact the OPTins Marketing Team at optinsmktg@naic.org or call (816) 783-8787.**

Findings

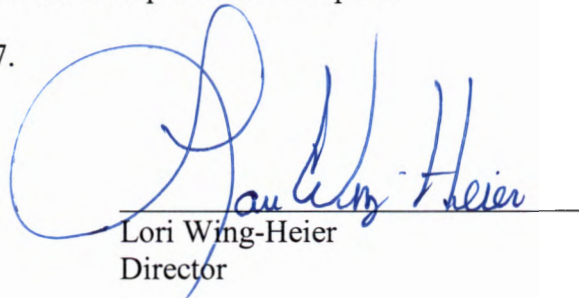
1. OPTins requires users to utilize the ACH debit or credit payment system for payments and, therefore, meets the requirements under Alaska law.
2. OPTins provides brokers with the ability to submit their quarterly reports and payments to the state securely and efficiently while also providing the division with the ability to receive and audit the submissions electronically.
3. OPTins will be available for brokers to use beginning with the 3rd Quarter 2017 report due December 1, 2017.

Order

Consistent with the foregoing, the director orders:

- A. Under the authority of AS 21.34.170, 21.34.180, and regulations adopted under AS 21.34.250, licensed surplus lines brokers required to file quarterly reports and pay premium taxes and filing fees to the state, shall do so utilizing OPTins. Registration to use the system is required and detailed registration information is available on the OPTins website at www.optins.org.
- B. The division will consider submissions to be timely filed if they are received by OPTins on or before the due date listed in the applicable statute or regulation. The first mandatory filing due date for utilizing OPTins will be the first quarter 2018 due on June 1, 2018. The division will not accept paper filings or emails with quarterly reports from brokers starting with the first quarter 2018 report.

This order is effective November 1st, 2017.



Lori Wing-Heier
Director