

**STATE OF ALABAMA
DEPARTMENT OF INSURANCE
Purchasing Groups**

INSTRUCTIONS FOR FILING PREMIUM TAXES

FILING OF PREMIUM TAXES AND FEES

The Premium Tax shall be “paid first by the insurance source, and if not by that source, by the agent or broker for the Purchasing Group, and if not by the agency or broker then by the Purchasing Group, and if not by the Purchasing Group then each of its members.” If the Purchasing Group places business with a risk retention group, the risk retention group shall be liable for the payment of premium taxes. However, if the risk retention group failed to pay the premium tax, the Department can require the payment of premium tax in the order of responsibility.

If the business is written through a non-admitted insurance company, not being a risk retention group, there is potential for payment as just mentioned, however, if there is a licensed surplus lines broker involved in the transaction, the surplus lines broker is primarily responsible for the premium tax.

PREMIUM TAX RATE

The Tax Rate when payment is made by the agent or broker for the Purchasing Group, the Purchasing Group itself, or the individual members of the Purchasing Group is 4%.

FILING REQUIREMENTS – Form No. ID – 14: Premium Tax due dates.

All registered Purchasing Groups in the State of Alabama shall within 30 days after the date such insurance was procured, continued or renewed, file the Form No. ID – 14 submitted to the Department through the Online Payment Service listed below along with remittance of any tax which is due. Failure to file Form No. ID-14 along with the tax payment to the Department could result in administrative charges being brought against you or removal from the registry and interest penalties on your late payment. It is the responsibility of the Purchasing Group to see that filings are timely remitted.

ONLINE PAYMENT SERVICE

NIC Alabama Interactive

<https://al.accessgov.com/adoimain/Forms/Page/adoimain/adoi-accountingfee/0>

A fee of **\$4.00 for e-check** or **4% of transaction fee for credit card** will be added to your total amount due.

ALL FORM ID-14 FILINGS SUBMITTED TO THE ALABAMA DEPARTMENT OF INSURANCE MUST BE FILED ELECTRONICALLY THROUGH THE NIC ALABAMA INTERACTIVE WEBSITE. **NOTE: EFFECTIVE JUNE 30, 2021 MAILED FILINGS AND PAYMENTS WILL NO LONGER BE ACCEPTED. AFTER THIS DATE, ANY FILINGS AND/OR PAYMENTS MAILED TO COMPASS BANK WILL BE RETURNED.**

CONTACT INFORMATION

All questions relating to premium tax should be addressed to the Department of Insurance, Premium Tax Section:

Email: Lakisha.Hardy@insurance.alabama.gov or Andrea.Brown@insurance.alabama.gov

Phone: Lakisha Hardy (334) 241-4114 or Andrea Brown (334) 241-4183.

Alabama Interactive Technical Support: 866-353-3468 or Support@AlabamaInteractive.org