

**STATE OF ALABAMA
DEPARTMENT OF INSURANCE
Surplus Line Brokers**

SPECIAL INSTRUCTIONS FOR FILING PREMIUM TAX RETURNS

FILING OF PREMIUM TAXES

Each surplus line broker shall, on or before the first day of March of each year, file with the Commissioner an annual tax form for all surplus line insurance transacted by him/her during the preceding calendar year. A completed worksheet should accompany the tax form. In order to receive proper credit, please **use your 7-digit producer license number** (starts with A) on all forms to be filed with the Commissioner. If deducting audit expenses, please include a copy of the invoice and cancelled check.

The certificates of surplus line broker (form ID-12) on file, which should be submitted to the department 30 days after the effective date of the insurance transaction, should reconcile with the policies reported on the worksheet. Policies reported on the worksheet that do not have an ID-12 on file will be requested from the broker. Brokers having a high volume of policies can continue to send the monthly reports containing the vital information from the ID-12 along with a sworn surplus line contract statement attached.

An additional tax form should be filed immediately to pay taxes for any business transacted during the preceding calendar year that was unaware of when the initial annual tax form was submitted.

A listing of policies, which are provided by insurance companies for each surplus line broker, will be compared to the policies reported on the worksheet.

PREMIUM TAX RATE

The Surplus Line Broker shall remit as a tax imposed for the privilege of transacting business as a Surplus Line Broker in this state, a tax of six percent (6%) on the direct premiums, **including any fees**, less return premiums and exclusive of sums collected to cover state or federal taxes, on Surplus Line insurance subject to tax transacted by him/her during the preceding calendar year. As shown by his/her premium tax form filed with the Commissioner.

FILING REQUIREMENTS

The annual tax form should be properly completed, signed by you, notarized, and returned to the address listed below along with remittance of any tax which is due. We do not have an EFT account at this time. **If no business was transacted during the preceding calendar year, please indicate this fact on the annual tax form, sign it, have it notarized, and file with the commissioner.** Failure to file your tax report and pay by March 1 of each year could result in administrative charges being brought against you or the revocation of your insurance licenses and also interest penalties on your late payment.

POSTAL SERVICE
Alabama Department of Insurance
c/o Compass Bank
P.O. Box 830691
Birmingham, AL 35283-0691

COURIER OR EXPRESS SERVICE
Alabama Department of Insurance
c/o Compass Bank
701 South 32nd Street
Birmingham, AL 35233

ALL FILINGS WITH THE ALABAMA DEPARTMENT OF INSURANCE MUST BE MAILED BY THE U.S. POSTAL SERVICE OR COURIER. HAND DELIVERY IS NOT ACCEPTABLE.