Supplemental Annual Premium Tax Filing Instructions

Surplus Lines premiums for policies covering risks for which Delaware is the home state of the insured are reported by surplus lines broker licensees, and the tax on those premiums is paid by the brokers. For that reason, foreign surplus lines insurers do not report premium or pay premium taxes directly to the Delaware Department of Insurance, but usually file the Nonadmitted Annual Fees Renewal Form.

A Delaware Domestic Surplus Lines Insurer (DSLI) presents a similar set of circumstances in that surplus lines brokers report and pay tax on premiums, but as an admitted domestic company, the company is subject to the same fees and filing requirements as any other Delaware domestic insurer, including the Delaware Domestic Insurers’ Privilege Tax.

Therefore, the Department has prepared these supplemental instructions that are specific to DSLI annual premium tax and fees filings:

1. Select and use the DOMESTIC Annual Premium Tax and Fees Report. Follow the instructions included with the report, except as instructed in this document.

2. On page 1, Working Form T-1 (WFT-1) Lines 1 through 10, enter zero.

3. Complete page 2, Working Form T-2 (WFT-2), to calculate the Delaware Domestic Insurers’ Privilege Tax. Enter the amount from WFT-2 Line 7 on WFT-1 Line 11.

4. Enter the rest of the fees and credits as applicable on WFT-1 Lines 13 through 21.

5. Page 3, Working Form T-5, may be left blank.

6. Attach the annual statement State Page (statutory page 14) and Schedule T showing all premiums written by the company during the calendar year.

7. Attach the annual statement Exhibit of Net Investment Income and the Underwriting & Expense Exhibit, Part 1B, Premiums Written, as instructed for WFT-2.

8. Submit the filing and payment as detailed in the Instruction Pages included with the report.