



SURPLUS LINES BULLETIN NO. 22

TO: ALL LICENSED SURPLUS LINES BROKERS AND ASSOCIATED COMPLIANCE STAFF

RE: SURPLUS LINES BROKERS' PREMIUM TAX OBLIGATION

DATED: October 20, 2025

The Delaware Department of Insurance (the “Department”) issues this Bulletin to remind all licensed Surplus Lines Brokers of their statutory obligation to collect and remit to the State annual taxes on surplus lines policies placed or procured during the preceding calendar year, as required under 18 *Del. C.* § 1925.

Background

The Department has identified instances of noncompliance with 18 *Del. C.* § 1925, specifically regarding the failure of licensed Surplus Lines Brokers to remit applicable premium taxes as required. Brokers are reminded that timely and accurate payment of surplus lines premium taxes is a statutory obligation and essential to maintaining good standing with the Department.

18 *Del. C.* § 1925 states in part:

(b) Every surplus lines broker shall collect and pay to the State Treasurer through the Commissioner a 3 percent tax on the gross premiums charged, less any returned premiums and exclusive of sums collected to cover federal and state taxes and examination fees, for insurance placed or procured under his or her surplus lines license in which this State is the home state of the insured.

(c) For the purposes of this section, if a surplus lines policy procured through a surplus lines broker covers properties, risks, or exposures only partially located or to be performed in this State, but this State is the home state of the insured, all premium for the policy shall be considered written on properties, risks, or exposures located or to be performed in this State.

Responsible Party

While the placement of a surplus lines policy may involve both a licensed producer and a licensed Surplus Lines Broker, only Surplus Lines Brokers are responsible for submitting the required reports and taxes to the Department.

Required Forms

All filings must be submitted electronically through **OPTins**:

- **SL-1905** – Bi-weekly Report (Single-state policies)
- **SL-1903 MS** – Multistate Report (Delaware as home state)
- **SL-1925-Q** – Quarterly Premium Tax Report
- **SL-1925-A** – Annual Premium Tax and Fees Report

Filing Guidelines

SL-1905 - Bi-weekly Report

- Required only when transactions occur for single-state policies. (Zero filings are **not** required).
- Must be filed within **30 days** of the policy's effective date.
- Includes endorsements, certificates, or changes to premium, insured name, risk location, limits, policy number (excluding rewrites), or policy period.
- No payment is required with this report.
- **DO NOT** include multistate data. (Use form **SL-1903 MS** for multistate exposures).

SL-1903 MS - Multistate Report

- Used for policies with exposures in multiple states where Delaware is the home state.
- Must be submitted with the Quarterly Tax Report

SL-1925-Q - Quarterly Tax Report

- Due dates: **April 30, July 30, October 30, and January 30.**
- Required only if there are transactions during the quarter (Zero filings are **not** required).
- Summarizes SL-1905 and SL-1903 MS filings and calculates premium tax due.
- Payments must be submitted with the report if tax is owed.
- Credits may be carried forward within the same calendar year only.

SL-1925-A - Annual Report

- **Mandatory for all Surplus Lines Brokers**, even if no business was transacted (Zero filing is required).
- Due by **March 1** of the following year.
- Summarizes all quarterly activity and reconciles any outstanding tax.
- Any payments resulting from quarterly adjustments for the previous calendar year must be included with the Annual Report submission.
- Refunds from annual surplus lines filings are not transferable to future tax years. If a refund is due, it will be processed and issued by the Department between May and June, following completion of the Department's review of the Annual Report.

OPTins Account Setup – Important Instructions

Please note that the Department maintains **two separate OPTins portals**, one for Surplus Lines Filings and one for Insurance Company Premium Taxes. Surplus Lines Brokers must ensure they are registered and submitting reports through the **Surplus Lines Account**, not the Insurance Company Premium Taxes Account. Additionally, to ensure proper crediting of tax payments and filings:

- **DO NOT** use an Agency ID to create or submit filings through OPTins.
- The individual **Surplus Lines Broker's Delaware license number** must be used to set up the OPTins account.
- The license number must be entered accurately on each form submission.

For assistance with OPTins registration or submission, visit www.optins.org or contact the OPTins Marketing Team at 816-783-8787.

Enforcement

The Department will not issue individual reminders. It is the responsibility of each Surplus Lines Broker to ensure timely compliance. Failure to comply with its obligations under 18 *Del. C.* §§ 1924 or 1925 may result in regulatory review and potential enforcement action under 18 *Del. C.* §§ 323 and 1921, including applicable penalties.

Contact Information

For questions related to **surplus lines premium tax payments**, please email the Department at DOI_SLTax@delaware.gov or visit <https://insurance.delaware.gov/information/surpluslines/>.

For inquiries regarding **Surplus Lines Broker licensing**, please email Licensing@delaware.gov.

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.



Trinidad Navarro

Delaware Insurance Commissioner

NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Delaware Department of Insurance if additional information is needed.