



SURPLUS LINES BULLETIN NO. 17

TO: ALL SURPLUS LINES BROKER LICENSEES AND INTERESTED PARTIES

RE: CHANGES TO FORM SL-1025-Q FOR CALENDAR YEAR 2015 QUARTERLY TAX REPORTING

DATED: April 21, 2015

PURPOSE

The purpose of this bulletin is to inform individual surplus lines licensees, surplus lines compliance reporting staff, and other interested parties of changes being made to the SL-1925-Q premium tax reporting form for calendar year 2015.

BACKGROUND

Effective July 30, 2014, Delaware's surplus lines premium tax rate increased from 2% to 3% on premium for policies written with nonadmitted insurers covering risks for which Delaware is the home state of the insured. Because this change occurred at mid-year, the surplus lines broker tax reporting forms for calendar year 2014 were updated to allow brokers to report business separately at the rate in effect at the time the premiums were charged to the insured. However, when the quarterly tax form was prepared for 2015, the form was not designed to allow this separate reporting.

NEW FORM AVAILABLE FOR IMMEDIATE USE

It has been brought to our attention that brokers have the need to continue to make reports relative to policies for which the premium was charged to the insured prior to July 30, 2014, and taxed at the 2% rate then in effect. The form originally posted on the Department's website and in the OPTins system did not make allowance for this reporting. Therefore, the SL-1925-Q report form has been updated to allow separate reporting based on either tax rate, and has been posted to the Department's website www.delawareinsurance.gov and in the OPTins system to replace the former SL-1905-Q form.

Effective immediately, surplus lines brokers are hereby instructed to use the updated form. Any broker that has already submitted a premium tax report using the originally posted form to report only premium charged after July 30, 2014, is not required to re-file using the updated form. However, all brokers are required to use the updated form for upcoming quarterly tax reports.

This bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.



Karen Weldin Stewart, CIR-ML
Insurance Commissioner