

## Article - Insurance

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§4-209.

- (a) This section does not apply to:
- (1) premiums on lawfully procured surplus lines insurance;
  - (2) premiums on independently procured insurance on which a tax has been paid under § 4-211 of this subtitle; or
  - (3) wet marine and transportation insurance.
- (b) (1) If an unauthorized insurer effects, continues, or renews insurance on a subject resident, located, or to be performed in the State, the unauthorized insurer shall pay to the Commissioner, before March 1 of the next calendar year, a premium receipts tax of 3% of gross premiums charged for the insurance.
- (2) For policies effective before July 21, 2011:
- (i) if the policy covers property, risks, or exposures located or to be performed entirely in the State, the premium receipts tax shall be computed on the entire premium at the rate specified in paragraph (1) of this subsection; and
  - (ii) if the policy covers property, risks, or exposures located or to be performed both in and outside the State, the premium receipts tax shall be computed at the rate specified in paragraph (1) of this subsection only on that portion of the premium that is properly allocable to the risks located in the State.
- (3) For policies effective on or after July 21, 2011, if the State is the insured's home state, the premium receipts tax shall be computed on the entire premium at the rate specified in paragraph (1) of this subsection.
- (4) Insurance that an unauthorized insurer effects, continues, or renews on a subject resident, located, or to be performed in the State that is procured through negotiations or an application wholly or partly occurring or made in or from within or outside of the State, or for which premiums wholly or partly are remitted directly or indirectly from in or outside of the State, is deemed to be insurance procured, continued, or renewed in the State.
- (c) The premium receipts tax under this section is instead of all other State taxes.
- (d) If an unauthorized insurer defaults on the payment of the tax under this section, the insured shall pay the tax.
- (e) If the tax is not timely paid under subsection (b) of this section, the amount

of the tax due shall be increased by a penalty of:

- (1) 25% of the tax due; and
- (2) an amount computed at the rate of 1% per month or any part of a month after the date the payment was due to the date the payment is made.

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