

Article - Insurance

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§3-324.

(a) This section does not apply to insurance of risks of the State or a political subdivision of the State.

(b) The premiums charged for surplus lines insurance are subject to a premium receipts tax of 3% on all gross premiums, less any returned premiums, charged for surplus lines insurance.

(c) For policies effective before July 21, 2011:

(1) 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 subsection (b) of this section; and

(2) 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 subsection (b) of this section only on that portion of the premium that is properly allocable to the risks located in the State.

(d) 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 subsection (b) of this section.

(e) For policies effective on or after July 21, 2011, only the home state of an insured may receive premium receipts tax payments and reports for nonadmitted insurance.

(f) (1) On delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance, a surplus lines broker shall charge the insured the amount of the premium receipts tax in addition to the full amount of the gross premium charged by the insurer for the surplus lines insurance.

(2) The surplus lines broker shall return to the insured the premium receipts tax on any unearned part of the premium.

(g) The surplus lines broker may not:

(1) absorb the premium receipts tax; or

(2) rebate all or part of the premium receipts tax or the surplus lines broker's commission.

(h) The Commissioner shall cooperate with other states to adopt and implement uniform requirements for nonadmitted insurance in compliance with the Act.

(i) For policies effective on or after July 21, 2011, the regulation of nonadmitted insurance is subject to the statutory and regulatory requirements solely of the home state of the insured.

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