



Rhode Island Department of Revenue  
Division of Taxation

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**SURPLUS LINES BROKERS / LICENSEES:  
GUIDE TO TAX FILINGS AND PAYMENTS**



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## Introduction

If a business (or other entity) needs a certain kind of insurance coverage but cannot obtain it from an insurer licensed in Rhode Island, the business obtains the coverage from an insurer elsewhere -- from a “surplus lines” insurer.

In such cases, the person who serves as the middleman – between the business that seeks insurance and the insurer that provides the coverage – is known as a surplus lines broker, or surplus lines licensee.

In general, the term “surplus lines broker” or “surplus lines licensee” refers to someone who is licensed to sell, solicit, or negotiate insurance on properties, risks, or exposures that are located, or to be performed, in Rhode Island.

The holder of a surplus lines broker license has tax obligations that are set forth in statute and administered by the Rhode Island Division of Taxation.<sup>1</sup> This publication is intended to serve as a guide to meeting those tax obligations.

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Note: This publication, originally posted on December 6, 2016, has been revised mainly to reflect subsequent changes in law. For example, the revised publication now includes an updated schedule for estimated payments (to reflect statute), as well as information about electronic filing, updated screenshots, and certain other matters.

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<sup>1</sup> See Rhode Island General Laws § 27-3-38. The holder of a surplus lines broker license also has licensing obligations that are administered by the Rhode Island Department of Business Regulation and that are not the subject of this guide. For further information on licensing, see: [www.dbr.ri.gov/divisions/insurance](http://www.dbr.ri.gov/divisions/insurance)

## Section 1: Annual tax return

A Rhode Island tax return must be filed each year on behalf of surplus lines brokers/licensees. The return must be filed with the Rhode Island Division of Taxation and is due on or before April 1.

- The return must be filed even if no income is reported (a “zero return”). As long as the broker maintains a surplus lines license in Rhode Island, a Rhode Island tax return must be filed each year – even if it is simply a zero return.

The return must be filed on paper, on Form T-71A (see screenshot below). The mailing address is included on the form.

State of Rhode Island and Providence Plantations <b>2017 Form T-71A</b> Surplus Line Broker Return of Gross Premiums			17111799990101	
Name			Federal employer identification number/social security number	
Address			State or country of incorporation or organization	
Address 2			Broker license number	
City, town or post office		State	ZIP code	E-mail address

### Electronic filing

The Division plans to eventually make available electronic filing of surplus lines annual tax returns – but only when the Division is satisfied that the security of such filings, and the safeguarding of confidential taxpayer information, can be guaranteed.

Until that time, and until the Division makes a formal announcement, the annual tax return must be filed on paper.

However, even if you file a paper return and tax is due, you can pay the tax online, through the following Rhode Island Division of Taxation web page:

<https://www.ri.gov/taxation/business/index.php>

If you mail in your annual Rhode Island tax return and pay the tax by check, include a payment voucher – Form BUS-V, the “Business Tax Payment Voucher Form” – and check the “surplus lines” box (see highlighted portion of screenshot nearby).

State of Rhode Island and Providence Plantations  
**Form BUS-V**  
Business Tax Payment Voucher Form

Name		Federal employer identification number	
Address		For the period ending: MM/DD/YYYY	
Address 2			
City, town or post office	State	ZIP code	E-mail address

**Part 1: Business Tax Type**

Check the box next to the form for which you are making a payment. Check only one box.

Form RI-1120POL - Rhode Island Political Organization - Key #77

Form T-71 - Rhode Island Gross Premium Insurance - Key #13

Form T-71A - Rhode Island Surplus Line Broker Gross Premium - Key #13

[Note: “Key #13” as shown on the form above is simply for the internal use of the Rhode Island Division of Taxation.]

## WHO IS FILING THE RETURN?

The insurance company or insurance agency can file the annual tax return on behalf of the individual broker(s)/licensee(s), or the broker/licensee can file the annual tax return on his or her own behalf.

The information that must be provided differs depending on who is filing the return.

*If the insurance agency or insurance company files ...*

### If the insurance company or agency files annual surplus lines tax return

If the insurance company or insurance agency is filing the annual return on behalf of surplus lines brokers/licensees, put the agency’s name, the agency’s federal employer

identification number (EIN), the agency’s address, and other agency information on page one at the top of the form – but leave the “Broker license number” box blank on page one at the top of the form. (See highlighted portion of nearby screenshot.)

State of Rhode Island and Providence Plantations <b>2017 Form T-71A</b> Surplus Line Broker Return of Gross Premiums			 17111799990101		
Name			Federal employer identification number/social security number		
Address			State or country of incorporation or organization		
Address 2			Broker license number		
City, town or post office		State	ZIP code	E-mail address	

In the “Computation of Tax” section, on page one of the form, enter the totals of the business done by all of the surplus lines brokers/licensees.

On page 2 of the annual return, list each surplus lines broker/licensee for whom you are filing. For each broker/licensee, include:

- the broker/licensee’s full Social Security number;
- the broker/licensee’s name;
- the broker/licensee’s business address; and
- the broker/licensee’s National Association of Insurance Commissioners (NAIC) producer’s license number.

Do not fill in the bottom of page 2 (see screenshot nearby).

SSN/FEIN:	
Signature of broker:	
Licensee:	

Page 2

It is important to complete page 2 (except for the very bottom) fully and accurately. Failure to do so could result in delay of the renewal of the Rhode Island license for the broker/licensee.

On page 3 of the return, for each surplus lines insurance policy, list:

- the policy's NAIC number;
- the carrier's name;
- the name of the insured;
- the risk location;
- the invoice date;
- the premium;
- the return premium; and
- the additional premium.

Do not fill in the bottom of page 3 (see screenshot nearby).

SSN/FEIN:

Signature of broker:

Licensee:

Page 3

Remember: Whether the annual tax is paid electronically, the annual tax is paid by paper check, or there is no tax due, an annual tax return still must be filed.

*If the surplus lines broker/licensee files his or her own return ...*

#### If the broker/licensee files annual surplus lines tax return

If you are a surplus lines broker/licensee, and you are filing your own annual tax return, put your own name, your full Social Security number, your business address, and your other information at the top of page one of the form – including the “Broker license number” box. In the “Computation of Tax” section, on page one of the form, enter the totals of the business you’ve done.

Leave the top of page 2 blank, but fill in the very bottom (see screenshot nearby).

SSN/FEIN: <input type="text"/>
Signature of broker:
Licensee: <input type="text"/>

Page 2

On page 3 of the return, for each surplus lines insurance policy, list:

- the policy's NAIC number;
- the carrier's name;
- the name of the insured;
- the risk location;
- the invoice date;
- the premium;
- the return premium; and
- the additional premium.

Also, fill in the bottom of page 3.

### WHO PAYS?

*If the insurance agency or insurance company makes the tax payment ...*

**If the insurance agency makes the payment**

*The following example shows the steps to be taken by an insurance company or insurance agency that is making the annual surplus lines tax payment.*

Example:

XYZ Insurance Agency files Rhode Island tax returns on behalf of Bob Broker. In that case, the annual tax filing as well as the surplus lines tax payments to Rhode Island must be made under the agency's name.

So at top of the front page of the annual tax return, XYZ Insurance Agency enters the following information:

- XYZ Insurance Agency's own name;
- XYZ Insurance Agency's own federal employer identification number;
- XYZ Insurance Agency's own address; and
- other information related to XYZ Insurance Agency (but leaves the "Broker license number" box blank).

Bob Broker's information, including his full Social Security number, is entered only on the top of page 2.

XYZ Insurance Agency not only files on behalf of Bob Broker, but also pays on behalf of Bob Broker. Regardless of whether XYZ Insurance Agency is making an annual tax payment or an estimated tax payment, and regardless of whether XYZ Insurance Agency is making the tax payment online or by check, the tax payment must be made in the name and the federal employer identification number of XYZ Insurance Agency.

Do not make the tax payment in the name of Bob Broker. Make it in the name of XYZ Insurance Agency. The Division of Taxation will make sure that Bob Broker is properly credited for the payment. Also, because XYZ Insurance Agency is filing the annual return on Bob's behalf, XYZ Insurance Agency should also make the tax payment on Bob's behalf.

*If the surplus lines broker or licensee makes the tax payment...*

**If the broker/licensee makes the payment**

*The following example focuses on the procedures for a surplus lines broker/licensee who is making the tax payment.*

Example:

Larry Licensee files returns and makes payments on his own behalf. So, at the top of the front page of the annual return, Larry lists his own name, address, and personal Social Security number in full. Larry must fill out the rest of page one. Larry should not fill out page 2, except for the information at the very bottom of the page. Larry must fill out the information at the top and bottom of page 3.

Regardless of whether Larry is making an annual tax payment or an estimated tax payment on his own behalf, and regardless of whether Larry makes the tax payment online or by check, the tax payment must be made in Larry's name and Larry's Social Security number. Also, because Larry is filing the annual return on his own behalf, Larry should also make the tax payment on Larry's behalf.

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*Other points ...*

#### Other points about annual tax return

- The due date for the tax return is April 1. If April 1 falls on a weekend, the due date is the following business day. For example, if April 1 falls on a Sunday, the due date would be the following Monday.
- There is no extension, no extended due date, available for the annual tax return. The return is due on or before April 1. Also, filings are done on a calendar-year basis; there is no provision for a fiscal year. For example, the return that is due on April 1, 2018, is for the 2017 calendar year.
- Surplus lines brokers/licensees have filing requirements for two separate agencies in Rhode Island: The Rhode Island Division of Taxation, and the Rhode Island Department of Business Regulation (DBR). Each agency has its own rules. To learn more about the Rhode Island Department of Business Regulation, see the agency's web page involving insurance: <http://www.dbr.ri.gov/divisions/insurance/>
- Don't be confused between the annual tax return and the annual report. The annual tax return is filed with the Rhode Island Division of Taxation. The annual report is filed with the Rhode Island Department of Business Regulation.
- The Rhode Island Division of Taxation requires that an annual tax return be filed even if there is no income to report – in other words, even if it is a “zero return.”

## Section 2: Estimated taxes

Estimated taxes for surplus lines brokers/licensees may be made electronically or on paper.

If the estimated payment is made electronically, do not file a paper form; the electronic filing is sufficient.

### Electronic or check

Electronic payments of estimated tax for surplus lines brokers/licensees may be made through the following webpage: <https://www.ri.gov/taxation/business/index.php>.

If payment is made by check, use Form BUS-EST, "Business Tax Estimated Payment Form" (see screenshot below). Remember to check the box next to the following words: Form T-71A – Surplus Lines." The mailing address is included on the form.

State of Rhode Island and Providence Plantations			
<b>Form BUS-EST</b>		13111299990101	
Business Tax Estimated Payment Form			
Name		Federal employer identification number	
Address		For the period ending:	
Address 2			
City, town or post office	State	ZIP code	E-mail address
Estimates are due by the 15th day of the fourth, sixth, ninth and twelfth months of the taxable year			
<b>Part 1: Declaration of estimated tax</b>			
Check the box next to the form for which you are making an estimated payment. Check only one box.			
<input type="checkbox"/>	Form RI-1120 - Rhode Island Corporate Income Tax		
<input type="checkbox"/>	Form RI-1120POL - Rhode Island Political Organization Tax		
<input type="checkbox"/>	Form T-71 - Rhode Island Gross Premium Insurance Tax		
<input type="checkbox"/>	Form T-71A - Surplus Lines		
			<p>The amounts and due dates of the installments for a <b>calendar year filer</b> are as follows: 25% of the taxable year tax by April 15th 50% of the taxable year tax by June 15th 75% of the taxable year tax by Sept 15th 100% of the taxable year tax by Dec 15th</p>

Please note that the schedule for estimated payments has changed. The current schedule is shown in the following table.

<b>Due date surplus lines estimated taxes:</b>	<b>Amount due:</b>
April 15	25% of total for current taxable year
June 15	25% of total for current taxable year
September 15	25% of total for current taxable year
December 15	25% of total for current taxable year

Note: Dates do not count weekends or holidays. For example, if December 15 falls on a Sunday, the due date automatically moves to the next business day.

*If the insurance agency or insurance company does the estimated taxes ...*

#### **If the insurance agency does the estimated taxes**

*The following example is for insurance companies and insurance agencies that make estimated tax payments on behalf of surplus lines brokers/licensees:*

Example:

XYZ Insurance Agency files with the Rhode Island Division of Taxation on behalf of Bob Broker. The estimated tax payments must be made under the agency's name. So XYZ Insurance Agency enters its own name, its own federal employer identification number, its own address, and other information. XYZ Insurance Agency does not include information about Bob Broker.

Regardless of whether XYZ Insurance Agency makes the tax payment online or by check, the tax payment must be made in the name and the federal employer identification number of XYZ Insurance Agency, not in the name of Bob Broker. The Division of Taxation will make sure that Bob Broker is properly credited (based on information from the annual tax return).

Also, because XYZ Insurance Agency is making the estimated tax payments on Bob's behalf, XYZ Insurance Agency should also file the estimated tax form on Bob's behalf. (No form is needed, however, if payment is made electronically.)

*If the surplus lines broker or licensee  
does the estimated taxes...*

### If the surplus lines broker/licensee does the estimated taxes

*The following example is for surplus lines brokers/licensees that make estimated tax payments on their own:*

#### Example:

Larry Licensee files Rhode Island surplus lines tax returns and makes Rhode Island surplus lines tax payments on his own behalf. Online or on paper, Larry lists his own name, address, and personal Social Security number.

Regardless of whether it is an annual tax payment or an estimated tax payment, and regardless of whether the tax payment is made online or by check, the tax payment must be made in Larry's name using Larry's full Social Security number. Also, because Larry is making the tax payment on his own behalf, Larry should also file the estimated tax form on his own behalf. (No form is needed, however, if payment is made electronically.)

### Due dates

If your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year, you must make estimated payments, and they must be made in four equal installments, regardless of whether the insurance company or broker does them.

#### Example:

XYZ Insurance Agency files with the Rhode Island Division of Taxation on behalf of Bob Broker. In early 2018, XYZ projects that it will have a \$400 Rhode Island surplus lines tax liability for 2018 for Bob. Therefore, XYZ does not have to make estimated tax payments for 2018 because, by statute, estimated tax payments are required only if your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year.

If estimated tax payments are required, use the following schedule. (Please note that the following schedule has been updated to reflect recent changes in statute.)

<b>Estimated taxes for surplus lines brokers/licensees</b>		
	<i>Due date:</i>	<i>Amount:</i>
1 <sup>st</sup> payment	April 15	25%
2 <sup>nd</sup> payment	June 15	25%
3 <sup>rd</sup> payment	Sept. 15	25%
4 <sup>th</sup> payment	Dec. 15	25%

Schedule applies for tax years beginning after December 31, 2017. Thus, first installment is due in April 2018. Dates in table do not take into account weekends, holidays. (If due date falls on weekend or holiday, filing/payment is due on next business day.)

In considering your estimated payments of surplus lines tax for the current year, review your prior year's surplus lines tax liability. That is because you can submit estimated tax payments for the current year based on the immediately preceding year's tax.

If, for the current year, you make estimated tax payments that total 1.) 100 percent of last year's taxes, or 2.) at least 80 percent of this year's tax liability, whichever amount is lower, you will not be charged underestimating interest (assuming you make the payments in four equal installments).

Example:

Larry Licensee files Rhode Island surplus lines tax returns and makes Rhode Island surplus lines tax payments on his own behalf. In early, 2018 he estimates that he will have a \$600 Rhode Island surplus lines tax liability. By statute, if your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year, you must make estimated payments. Therefore, Larry must make estimated payments in 2018. Larry will not have to pay underestimating interest for 2018 if he makes estimated tax payments that total at least 100 percent of his 2017 taxes, or 80 percent of whatever this year's tax liability turns out to be, whichever is lower, and Larry does so in four equal installments.

#### Other points about estimated taxes

Following are some other points about estimated surplus line tax payments:

- If your estimated payment is made online, do not file the form.
- If you expect that your Rhode Island surplus lines tax for the entire year will be zero, do not file an estimated tax form. (A "zero return" is not necessary when it comes to estimated tax for surplus lines.)

## Section 3: Frequently asked questions (FAQs)

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Following are some FAQs involving surplus lines:

### **Q: Does the Rhode Island Division of Taxation still take part in OPTins?**

A: Surplus lines brokers/licensees formerly were able to file their Rhode Island tax returns using a system developed by the NAIC and known as Online Premium Tax for Insurance, or OPTins.

Rhode Island tax payments and Rhode Island tax returns are no longer processed through OPTins. Instead, Rhode Island tax payments and Rhode Island tax returns are processed directly through the Rhode Island Division of Taxation.

*Note: For information about the Rhode Island Department of Business Regulation and the use of OPTins, contact the agency at the following address:  
<http://www.dbr.ri.gov/divisions/insurance/>*

Following are additional details about Rhode Island tax returns:

- Rhode Island tax returns for 2015 and later tax years must not be filed via OPTins. Instead, they must be filed directly with the Division. Find tax forms for surplus lines using this link: <http://www.tax.ri.gov/taxforms/otherbusiness.php>.
- The Division of Taxation hopes to make filing of the annual return available online at a later date. A link will be available on: [www.tax.ri.gov](http://www.tax.ri.gov)
- Estimated tax payments may already be made online – and, if they are, no paper form is needed. To make estimated tax payments online, use the following Division of Taxation webpage: <https://www.ri.gov/taxation/business/index.php>.

### **Q: What is the surplus lines tax rate?**

A: It is computed at the rate of four percent (4%) on the gross premiums charged the insured by the insurers, less the amount of premiums returned to the insured.

### **Q: I noticed that the annual filing deadlines have changed for a lot of different Rhode Island taxes. What about the annual tax filing deadline for surplus lines?**

A: No change. The due date for the annual tax return is April 1. (If April 1 falls on a weekend, the deadline moves to the next business day). The due dates for estimated payments have changed (please see table under the “Estimated taxes” section of this publication). If your tax for the calendar year can reasonably be expected to exceed \$500 for the current year, you must make estimated tax payments for the current year.

**Q: We make our estimated tax payments online. Where should we mail the form?**

A: If you make estimated payments online, you're all set; do not file the paper form.

**Q: We're an insurance company in Illinois. When we file the annual surplus lines insurance tax return, on page 2 of the form, must we list the full Social Security number of each broker, or can we just enter the last four digits for each?**

A: You must enter the full Social Security number. We need it to match up the brokers listed on your return against the records in our system, and the match will not work with just four digits.

**Q: We make our annual tax payment online. But where should we mail the form?**

A: The address, which is on the form, is: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.

**Q: What about amended returns?**

A: To amend a tax return for a surplus lines broker/licensee, use the standard Form T-71A, "Surplus Line Broker Return of Gross Premiums", and write the words "Amended Return" across the top. Mail the form to the Division of Taxation. (The mailing address is on the form.)

**Q: Whom shall I contact for refunds?**

A: The Rhode Island Division of Taxation's Corporate Tax section oversees tax matters involving surplus lines brokers/licensees, and that includes inquiries involving refunds. Call (401) 574-8935 from 8:30 a.m. to 3:30 p.m. business days, or email: [Tax.Corporate@tax.ri.gov](mailto:Tax.Corporate@tax.ri.gov)

**Q: I made my first-quarter surplus lines estimated payment online. I emailed Form BUS-EST along with the receipt of the first-quarter estimated payment to the Rhode Island Department of Business Regulation and they emailed me back stating that it was not the correct email address to use to be sending the form. Is there another email I can use to send the form?**

A: When estimated tax payments are made online on behalf of a surplus lines broker/licensee, there is no need to file the estimated tax form (Form BUS-EST). To make estimated payments, please use the following link:

<https://www.ri.gov/taxation/business/index.php>

However, if you pay by check, you must file the paper form. In any event, please keep in mind that Rhode Island taxes are overseen by the Rhode Island Division of Taxation:

<http://www.tax.ri.gov>

Insurance licensing and related matters are handled by the Rhode Island Department of Business Regulation: <http://www.dbr.ri.gov/divisions/insurance/>

**Q: Can you file the tax return or the estimated tax payment form by email? If so, what email address?**

A: Payments and returns are made online (through the Division of Taxation website/portal), or on paper. The Division of Taxation does not accept payments made, or tax returns filed, via email.

**Q: I can't find the form for the surplus lines annual tax return anywhere on your website. Where is it?**

A: To download or print out tax forms for surplus lines, please use the following link: <http://www.tax.ri.gov/taxforms/otherbusiness.php>

**Q: Are carrier/broker/inspection fees taxable on surplus lines policies, or just the pure premium?**

A: The tax is computed at the rate of four percent on the gross premiums charged the insured by the insurers, less the amount of premiums returned to the insured. The fees you mentioned should not be included in the gross premiums you compute because they are not taxable.

**Q: Early each year, we simply cannot accurately project how much our Rhode Island surplus lines tax liability will be. What can we do to make sure that we don't wind up having to pay underestimating interest? Also, how do we make the actual payments of estimated tax – electronically or on paper?**

A: If your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year, you must make estimated payments. The estimates are due in four equal installments.

In considering your estimated payments of surplus lines tax for the current year, review your prior year's surplus lines tax liability. That is because you can submit estimated tax payments for the current year based on the immediately preceding year's tax.

If, for the current year, you make estimated tax payments that total 1.) 100 percent of last year's taxes, or 2.) at least 80 percent of this year's tax liability, whichever amount is lower, you will not be charged underestimating interest (assuming you make the payments in four equal installments).

Also, estimated taxes for surplus lines brokers/licensees may be made electronically or on paper. If the estimated payment is made electronically, do not file a paper form; the electronic filing is sufficient.

Electronic payments of estimated tax for surplus lines brokers/licensees may be made through the following webpage: <https://www.ri.gov/taxation/business/index.php>

If payment is made by check, use Form BUS-EST, "Business Tax Estimated Payment Form." The mailing address is included on the form.

**Q: I have more questions. Whom shall I contact?**

A: The Rhode Island Division of Taxation's Corporate Tax section oversees tax matters involving surplus lines brokers/licensees. Call (401) 574-8935 from 8:30 a.m. to 3:30 p.m. business days, or email: [Tax.Corporate@tax.ri.gov](mailto:Tax.Corporate@tax.ri.gov)

## Section 4: Excerpts from Rhode Island General Laws

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### RHODE ISLAND GENERAL LAWS § 27-3-38

#### **Surplus line brokers – License – Affidavit of inability to obtain insurance – Reports and records – Premium tax – Notice to purchasers.**

(a) The insurance commissioner may issue a surplus line broker's license to any person authorizing the licensee to procure, subject to the restrictions provided in this section, policies of insurance, except life and health and accident, from eligible surplus lines insurers. Residents of this state must hold a property and casualty insurance producer license to qualify for a surplus lines broker license. This license may be denied, suspended, or revoked by the insurance commissioner whenever, in the commissioner's judgment, any of the bases under § 27-2.4-14 exist. Before any license is issued by the insurance commissioner and before each renewal of a license, there shall be filed in his or her office a written application by the person desiring the license in the form, and containing any information, that the insurance commissioner may prescribe. For the purposes of carrying out the provisions of the Nonadmitted and Reinsurance Reform Act of 2010, the commissioner is authorized to utilize the national insurance producer database of the National Association of Insurance Commissioners (NAIC), or any other equivalent uniform national database, for the licensure of a person as a surplus lines producer and for renewal of such license. For insureds whose home state is this state, a person shall not procure a contract of surplus lines insurance with a nonadmitted insurer unless the person possesses a current surplus lines insurance license issued by the commissioner.

(b) A Rhode Island resident business entity acting as a surplus line broker may elect to obtain a surplus line broker license. Application shall be made using the uniform business entity application. Prior to approving the application, the commissioner shall find both of the following:

(1) The business entity has paid the appropriate fees.

(2) The business entity has designated a licensed surplus line broker responsible for the business entity's compliance with the insurance laws and rules of this state.

(c) When any policy of insurance is procured under the authority of that license, there shall be executed, both by the licensee and by the insured, affidavits setting forth facts showing that the insured, or a licensed Rhode Island producer, were unable, after diligent effort, to procure from no less than three (3) admitted insurers the full amount of insurance required to protect the property owned or controlled by the insured or the risks insured. Provided, however, the aforementioned affidavit shall not be required when insuring the following interest: amusement parks and devices, environmental improvement and/or remediation sites, vacant property or property under renovation, demolition operations, event cancellation due to weather, railroad liability, discontinued products, fireworks and pyrotechnics, warehouseman's legal liability, excess property coverage, private flood, and contingent liability. In addition, no such affidavit is required for exempt commercial purchasers as defined by the Nonadmitted and Reinsurance Reform Act of 2010. For purposes of this section, residual market mechanisms shall not be considered authorized insurers. Prior to renewing, continuing, or extending any policy, the licensed surplus line broker must confirm that the insurer is on the insurance commissioner's list of approval surplus line insurers in this state.

(d) The licensee shall keep a complete and separate record of all policies procured from approved surplus lines insurers under the license and these records shall be open to the examination of both the insurance commissioner and tax administrator at all reasonable times and shall show the exact amount of each kind of insurance permitted under this section which has been procured for each insured; the gross premiums charged by the insurers for each kind of insurance permitted under this section which were returned to each insured; the name of the insurer or insurers which issued each of these policies; the effective dates of these policies; and the terms for which these policies were issued. The licensee shall file a yearly report with the insurance commissioner on a form prescribed by

the insurance commissioner showing the business procured under the surplus line license for the preceding calendar year, and the report shall be due annually on or before April 1.

(e) Every person, firm, or corporation licensed pursuant to the provisions of this section shall file with the insurance commissioner, at the time of the insurance producer license renewal, sufficient information, as determined by the insurance commissioner, whether a licensee or a person acting on the licensee's behalf, has paid to the tax administrator, for all policies procured by the licensee pursuant to the license during the next preceding calendar year, a tax, computed at the rate of four percent (4%) on the gross premiums charged the insured by the insurers, less the amount of premiums returned to the insured.

(f) Every application form for insurance from a surplus lines insurer, every affidavit form executed by the insured, and every policy (on its front and declaration pages) issued by the surplus lines insurer, shall contain in ten-point (10) type the following notice:

NOTICE

THIS INSURANCE CONTRACT HAS BEEN PLACED WITH AN INSURER NOT LICENSED TO DO BUSINESS IN THE STATE OF RHODE ISLAND BUT APPROVED AS A SURPLUS LINES INSURER. THE INSURER IS NOT A MEMBER OF THE RHODE ISLAND INSURERS INSOLVENCY FUND. SHOULD THE INSURER BECOME INSOLVENT, THE PROTECTION AND BENEFITS OF THE RHODE ISLAND INSURERS INSOLVENCY FUND ARE NOT AVAILABLE.

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## RHODE ISLAND GENERAL LAWS § 44-26-2.1

### § 44-26-2.1. Declaration – Due date – Payment – Interest.

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(n) Notwithstanding any Rhode Island statute to the contrary, every corporation having a taxable year beginning after December 31, 2017, shall file its declaration and estimated payment in accordance with federal statute and regulations: with current federal filing requirements, the four (4) estimated tax installment payments of twenty-five percent (25%) each are due: on the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any due date falls on a Saturday, Sunday, or Rhode Island legal holiday, the installment is due on the next regular business day.

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Anyone with further questions regarding Rhode Island tax payment and tax filing responsibilities for surplus lines should contact the Division of Taxation's Corporate Tax section (which oversees surplus lines tax payment and surplus lines tax reporting) by calling (401) 574-8935.

This publication contains an informal, plain-language summary of tax matters involving surplus lines brokers/licensees. Nothing contained in this publication in any way alters or otherwise changes any provisions of Rhode Island statutes, regulations, or formal rulings.

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On the Cover: Rhode Island Division of Taxation's photo of the Rhode Island State House in Providence, R.I.