



**STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
FINANCIAL AFFAIRS SECTION / ANALYTICAL UNIT 0576  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243  
(615) 741-1670**

**TO: ALL FOREIGN RISK RETENTION GROUPS**

**RE: FILING STATEMENT OF PREMIUMS AND FEES FOR TAXATION**

Following you will find tax form for filing "Statement of Premiums and Fees for Taxation" for the period January 1 through December 31 of the prior year.

**PLEASE NOTE: A foreign risk retention group company is not required to pay the annual statement filing fee of five hundred-fifteen dollars (\$515.00).**

All such taxes shall not be considered as paid on or before March 1 unless the tax return and payment are actually received in the department on or before March 1, except that a tax return with payment will be considered "timely filed" provided such premium tax return and payment bears a United States Post Office Cancellation Mark stamped on the envelope of no later than March 1. A company meter date or postage stamp **will not** be acceptable as competent evidence that the tax return was timely filed if the tax return is received in the department after the due date, unless the company meter mail is cancelled over by the U.S. Postal Service. If your company feels the tax return may be received in the department after March 1, it is advised that certified mail with a U.S. Postal Cancellation Stamp on the receipt be obtained, a certificate of mailing, or request that the U.S. Postal authorities cancel over the postage in your presence. Based upon past experience, the U.S. Post Office does not always cancel over company metered mail. **No grace period will be allowed for late filing of the premium tax return.**

Any other materials or forms which do not pertain to premium taxes should be sent under separately. **DO NOT** include the Statement of Premiums and Fees for Taxation in the Annual Statement mailing.

The address for **PREMIUM TAX RETURN** is:

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE  
Division of Insurance  
P.O. Box 198983  
Nashville, TN 37219-8983

HOWEVER, PLEASE NOTE: If the tax return is mailed via overnight courier, the following address should be used:

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE  
ATTENTION: PREMIUM TAX SECTION  
FINANCIAL AFFAIRS SECTION / ANALYTICAL UNIT 0576  
500 James Robertson Parkway, 4th Floor  
Nashville, TN 37243

Premium Tax Forms Website: <http://www.state.tn.us/commerce/insurance/premiumtax.shtml>

Should you have any questions, please contact the Premium Tax Section at (615) 741-1670.



**TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE**  
**INSTRUCTIONS FOR FILING**  
**"ANNUAL STATEMENT OF PREMIUMS AND FEES FOR TAXATION"**

**FOREIGN RISK RETENTION GROUPS**

1. **WHO MUST FILE - DUE DATE – CORRECT PROCEDURE FOR FILING** – Any foreign risk retention group registered in Tennessee must file, on or before March 1 of each year, a STATEMENT OF PREMIUMS AND FEES FOR TAXATION based on the gross premiums written for the previous period, January 1 thru December 31. The fact that a company may be inactive or become inactive does not relieve it of the necessity to file the return. Tenn. Code Ann. § 56-4-216 defines what shall be considered as a "timely filing" of the Premium tax return. It states in pertinent part, "(c) Notwithstanding any other provisions of the statutes of this state, no grace period for the filing of returns and payments shall be allowed. A premium tax return and payment made to the Department of Commerce and Insurance shall not be considered as paid on or before March 1 of each year unless: (1) the premium tax return and payment is received in the office of the Department on or before March 1 of each year; (2) the premium tax return and payment bears a post office cancellation mark stamped by the United States Post Office on or before March 1 or is mailed by certified mail, registered mail, or has a certificate of mailing on or before March 1. **A premium tax return and payment received by the Department of Commerce and Insurance bearing a metered mail stamp and no post office cancellation mark stamped by the United States Post Office, shall be deemed filed and received on the date such premium tax return arrives at the Department of Commerce and Insurance;** (3) in the event a premium tax return and payment is mailed but not received by the Department of Commerce and Insurance, or received and the cancellation mark is illegible or omitted, such return and payment shall be deemed filed and received on the date they were mailed if the sender establishes that the premium tax return and payment were deposited in the United States mail. In order to establish proof of mailing under these circumstances, a record authenticated by the United States Post Office that the original mailing was sent registered mail, certified mail, or by certificate of mailing, shall be the only proof accepted by the Department of Commerce and Insurance. Any other materials or forms should be sent in a separate mailing. **PLEASE DO NOT SEND ANY TAX MATERIAL OR PAYMENTS WITH THE ANNUAL STATEMENT MAILING.**
2. **CORRECT TAX RETURN** – In order to avoid the penalty and interest prescribed by Tenn. Code Ann. § 56-4-216, a tax return must be filled out correctly. All deficiencies shall be subject to the penalty and interest as provided in Tenn. Code Ann. § 56-4-216, which will apply to the tax unpaid as of March 1 of each year.
3. **EXTENSION OF TIME** – The Commissioner may in the exercising of his/ her discretion, for good cause shown, upon application made in advance of delinquency date, grant an extension of time, but not to exceed sixty (60) days, to the company to file the premium tax return and pay the tax imposed, without penalty attached; however, the tax shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. If any company who has received an extension of time fails to file the required form and pay the appropriate taxes and fees before the expiration of the extension granted, the penalty and interest will attach as though no extension has been granted, and the company is subject to debarment in this state until the taxes and penalties are fully paid.
4. **EXPIRATION OF REGISTRATION – CONTINUATION TO PAY TAX** – All foreign risk retention groups, which are registered to transact business in this state, shall upon expiration of their registration for any cause, or upon their ceasing to transact new business in this state, continue to pay the same tax upon their business remaining in force in the same manner and time as other registered risk retention groups of the same class.
5. **GROSS PREMIUMS** – For premium tax purposes, the words "gross premiums" or "taxable direct premiums" are defined to mean as follows: "Maximum gross premiums as provided in the policy contracts, new and renewal, including policy or membership fees, whether paid in part or in whole by cash, automatic premium loans, dividends applied in any manner whatsoever, and without deduction or exclusion of dividends in any manner; but excluding premiums returned on cancelled policies, or on account of reduction in rates, or reductions in the amount insured or experience rating refunds on life insurance policies and disability insurance policies."

6. **TAX ON WORKMEN'S COMPENSATION INSURANCE** – Every insurance company writing Workmen's Compensation Insurance is subject to a four percent (4%) tax on Workmen's Comp Insurance. In addition, there is a four-tenths of one percent (.4%) surcharge. The surcharge is not applicable to any employer who employs ten (10) or less employees, unless such employer is in the business of construction or manufacturing. The four percent (4%) tax on Workmen's Compensation premium is in lieu of the two and one-half percent (2-1/2%) tax on all other premiums. Therefore, all Workmen's Compensation premiums should be listed on line 2 of the tax return. Do not list any Workmen's Compensation premiums line 1 of page 1.
7. **PROPER REMITTANCE** – All checks for payment of any premium tax or fees due should be made payable to the TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE; and in order to constitute proper payment, the check must be signed, drafted and dated correctly.
8. **PENALTY FOR LATE PAYMENT AND DEFICIENT TAXES DUE** – Any foreign risk retention group which fails and neglects to file the tax return and make payment promptly and correctly as defined by Tenn. Code Ann. § 56-4-216, shall pay to the state, in addition to the amount of taxes due, a penalty of five percent (5%) for the first two months or fractional parts thereof and thereafter at the rate of one-half of one percent (1/2%) per month with a maximum of ten thousand dollars for the first three days of any delinquency. In addition to the above penalty, all delinquencies shall bear interest at the rate of ten percent (10%) per annum from March 1 of each year until paid. The penalty also applies to any part of the tax unpaid by March 1 of each year and no such penalty or interest may be waived. **NO GRACE PERIOD WILL BE ALLOWED FOR COMPANIES FILING LATE PREMIUM TAX RETURNS.**
9. **MINIMUM TAX** – The minimum tax due by any company (except Fraternal and Societies) for the privilege of transacting business for the calendar year is one hundred and fifty dollars (\$150.00). This amount should be listed on line 5 if the sum of lines 1 and 2 is less than \$150.00. This minimum tax is in addition to any Fire Marshal or Workmen's Compensation Surcharge taxes listed on line 6 and 7.
10. **RETALIATORY TAX – SCHEDULE D** – Schedule D is for the computation of any retaliatory taxes which may be due. There are two columns in the Schedule: the Tennessee Column and the State of Incorporation Column. List all fees, taxes, licenses or other obligations (except ad valorem taxes on real or personal property or personal income taxes) payable to Tennessee during the previous calendar year in the Tennessee Column. Similarly list the same fees, taxes, licenses and obligations that a similar Tennessee risk retention group with the same income and premium writings would have paid in your company's home state in the state of Incorporation Column. Simply because a particular tax or fee may not be listed in Schedule D does not relieve the risk retention group of the statutory responsibility to report said fees. Examples of such fees are corporate income taxes, special maintenance fees for the operation of Insurance Departments, local or municipal taxes or fees, special purpose taxes i.e. fire marshal or police forces or Workmen's Compensation insurance. Any fees not listed in Schedule D should be itemized on line 9. Please attach an additional listing to the tax return if there is not enough room to itemize these fees on line 9. All companies when computing premium tax on line 6 must use the basic premium tax rate levied by the laws of their home state without reduction on the basic premium tax rate for investments that a like Tennessee Company may qualify for as a result of investing in securities of such other state.
11. **FINANCE AND SERVICE CHARGE PREMIUMS** – All premium finance and service charge collections are to be included as a part of "gross premiums;" and are therefore subject to the premium tax. List all finance and service charge premiums on line 8 of the Statement of Premiums and Fees for Taxation and apply the appropriate tax thereon. The finance or service charge premiums should agree with those listed on page 15 of your Company's Annual Statement.



STATE OF TENNESSEE  
 THE DEPARTMENT OF COMMERCE AND INSURANCE  
 P.O. BOX 198983  
 Nashville, TN 37219-8983  
 (615) 741-1670

**STATEMENT OF PREMIUMS AND FEES FOR TAXATION  
 (To Be Filed On Or Before March 1)**

**FOREIGN RISK RETENTION GROUPS**

**FOR DEPARTMENT USE ONLY**

CI375 121/974 \_\_\_\_\_  
 CI393 131 \_\_\_\_\_  
 CI359 880/300 \_\_\_\_\_  
 CI383 125 \_\_\_\_\_  
 CI735 122/981 \_\_\_\_\_

Posted by \_\_\_\_\_

Company Name		Contact Person	<input type="checkbox"/> Amended	
Address (No. & Street)		E-Mail Address	Calendar Year	NAIC CO.CODE <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
City, State & Zip		Phone Number/ Fax Number	Date Admitted to TN	Domiciliary State

	Premiums	Tax
1. <b>Premium Tax</b> -- (2.5% On taxable direct Premiums other than Workmen's Compensation)	\$	\$
2. <b>Workmen's Compensation Tax</b> -- (4% on Workmen's Compensation Premiums)	\$	\$
*3. Premiums, if any, required to balance with Schedule T	\$	
4. Total premiums reported on Schedule T (Tennessee Business)	\$	
5. Total Tax (Sum of Lines 1 and 2) <b>If less than \$150.00, Enter \$150.00 MINIMUM TAX</b>		\$
6. Fire Marshal Tax -- (as Computed in Schedule B)		\$
7. Workmen's Compensation Surcharge -- (as Computed in Schedule E)		\$
8. Premium finance or service charges not included in above tax @ 2.5%	\$	\$
9. Total premium, fire marshal, workmen's compensation surcharge and premium finance or service charge taxes (Sum of line 5 thru 8)		\$
<b>* Do not list negative tax amounts on any of the above lines; if negative, enter zero (0)</b>		
10. Amount of investment credit (Schedule C) or any prepayments, if applicable		\$
<b>Note: Do not take credit for prior year overpayments</b>		\$
11. Total Tax Due (Line 9 Minus Line 10)		\$
12. Retaliatory Tax (As Computed in Schedule D)		\$
13. TOTAL AMOUNT DUE (Sum of lines 11 and 12)		\$
<b>Please attach a copy of Tennessee business page from the Annual Statement.</b>		

Make remittance payable to: TENNESSEE DEPT. OF COMMERCE & INSURANCE

\* Explanation of Non-Taxable Premiums Required to Balance With Schedule T of Annual Statement.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**FOR DEPARTMENT USE ONLY**

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 \_\_\_\_\_  
 \_\_\_\_\_

Audited By \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

**Schedule B – COMPUTATION OF FIRE MARSHAL TAX  
(To Be Computed By Property Insurers Only)**

LINE OF BUSINESS	* DIRECT PREMIUMS	PERCENTAGE TO BE APPLIED	FIRE PORTION
Fire Lines	\$	100%	\$
Farm owners Multiple Peril	\$	55%	\$
Homeowners Multiple Peril	\$	55%	\$
Commercial Multiple Peril (non-liability portion & liability portion)	\$	50%	\$
Inland Marine	\$	20%	\$
Private Passenger Auto Physical Damage	\$	8%	\$
Commercial Auto Physical Damage	\$	8%	\$
Aircraft (All Perils)	\$	8%	\$
Industrial Fire	\$	100%	\$
Other	\$		\$
Fire Portion Subject to Fire Marshal Tax (Sum of the above fire portion lines)			\$
Apply ¾ of 1%			x 0.0075
<b>FIRE MARSHAL TAX</b>			\$
<b>Do not list negative amounts on any of the above lines; if negative, enter zero (0)</b>			
* Premiums to agree with respective lines on page 15 (Tennessee business page) from the Annual Statement.			ENTER THIS AMOUNT ON LINE 6, PAGE 1

**Schedule C– INVESTMENT SCHEDULE  
(SEE INSTRUCTION)**

NOTE: Tennessee investments must equal at least 25% of admitted assets before Credit can be allowed.	Column 1	Column 2	
	Tennessee	Next Highest state	List name of state in which company had next highest percentage of admitted assets invested.
1. Real Estate	\$		\$
2. State, county, municipal, or other political subdivision bonds	\$		\$
3. Mortgage Loans	\$		\$
4. Average daily bank balances throughout the current taxable period	\$		\$
5. Stocks	\$		\$
6. Any other property or security in which by law such insurance company may invest its funds	\$		\$
7. Totals	\$		\$
8. Ratio Column 1 to Column 2			
*9. Percentage reduction in Premium Tax			
<b>(TENNESSEE INVESTMENTS MUST EQUAL 25% OF TOTAL ADMITTED ASSETS BEFORE ANY CREDITS ARE ALLOWABLE)</b>			
10. Premium Tax for Full Calendar Year (Sum of Lines 1, 2, and 8 from page 1)			\$
11. Premium Tax As Reported on June 1 and August 20 Only If Investments for First Six Months Period Are not Qualified			(\$ )
12. Amount of Premium Tax Subject to Reduction (Subtract Line 11 from Line 10)			\$
13. Tax Reduction for January 1 thru December 31 (Multiply Line 12 by Line 9)			\$
			ENTER THIS AMOUNT ON LINE 10, PAGE 1

RETALIATORY TAX		TENNESSEE COLUMN	STATE OF INCORPORATION COLUMN
<b>Schedule D</b> (COMPUTATION OF RETALIATORY TAX)		Taxes and Fees Payable to Tennessee	Taxes and Fees which a TN Company, with identical Premium or other Income, would have paid in your State
1. Filing Annual Statement		XXXXXXXXXXXXXXXX	
2. Certificate of Authority Renewal (Company)			
3. Department Licenses and Fees (Itemize) (a) _____ (b) _____			
4. Agents License Fees (Certificates of Authority) Show how figure was calculated on back of form or attach separate sheet.			
5. Agents Examination Fees and Filing Fees (Itemize) (a) _____ (b) _____			
		Premiums	
6a. Tennessee Premium Tax @ 2.50%			
6b. Tennessee Workmen's Compensation Tax @ 4.00%			
6c. Tennessee Fire Marshal Tax @ 0.75%			
6d. Tennessee Workmen's Comp. Surcharge @ 0.40%			
*6e. State of Incorporation Premium Tax @ ____ %			
*6f. State of Incorporation Workmen's Comp Tax @ ____ %			
*6g. State of Incorporation Fire Tax @ ____ %			
*6h. State of Incorporation _____ @ ____ %			
*6i. State of Incorporation _____ @ ____ %			
7. Additional Premium Tax of ____% Account of Aggregate City, County, or Other Political Subdivisions			
8. Premium Finance, Service Charges, or Policy Fee Not Included in line 6a and 6e \$ _____ @ ____ % (TN/ TAX @ 2.5%)			
9. Any Additional Tax, Fee or Obligation Subject to Retaliatory Law (Itemize) _____			
10. <b>TOTALS</b> (TN Minimum - \$150.00 Premium Tax)		\$	\$
11. DEDUCT TAXES AND FEES PAYABLE TO TENNESSEE (From line 10)			( \$ )
12. IF POSITIVE (PLUS) REMAINDER, ENTER ON PAGE 1, Line 12, RETALIATORY TAX (Line 10 Minus Line 11)			\$

\* Explain any reduction of premiums from state of incorporation basis in line 6e thru 6i.

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**Schedule E – WORKMEN'S COMPENSATION INSURANCE SURCHARGE  
(To Be Completed By All Companies Writing Workmen's Compensation Insurance)**

If Company did not write any Workmen's Compensation premiums during prior calendar quarter, please indicate as "NONE" on Line 1 of this Schedule.

1. Gross Workmen's Compensation Premiums as listed on Line 2, Page 1	\$
*2. Subtract Premiums not subject to Surcharge (see note below)	(\$ )
3. Premiums subject to Workmen's Compensation Surcharge	\$
4. Apply four-tenths of one percent (0.4%) rate to amount on line 3	x 0.004
5. WORKMEN'S COMPENSATION SURCHARGE (January 1 thru December 31)	\$
<b>Do not list a negative Surcharge amount on line 5; if negative, enter zero (0)</b>	ENTER THIS AMOUNT ON LINE 7, PAGE 1.

NOTE:

\*The Surcharge of four-tenths of one percent (0.4%) on Workmen's Compensation Insurance shall not apply to any premiums written on or for an employer who employs ten (10) or less employees unless such employer is in the business of construction or manufacturing.

Explain in detail the method used in calculating any reduction of Workmen's Compensation Surcharge premiums which are not subject to the Surcharge tax in the space below:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**STATEMENT OF PREMIUMS AND FEES FOR TAXATION MUST OBTAIN ORIGINAL SIGNATURE AND NOTARY**

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, do hereby make oath that I am \_\_\_\_\_  
(Officer's Name) (Official Title)

of the \_\_\_\_\_  
(Company Name)

and that the foregoing Statement of Premiums and Fees for Taxation is true to the best of my knowledge, information and belief.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Notary Public

(SEAL)

Subscribed and Sworn before me \_\_\_\_\_  
Date

My commission expires \_\_\_\_\_  
Date

**TENNESSEE STATUTES APPLICABLE TO PREMIUM TAXES**

LINE 1	Tax on Premiums _____	Tenn. Code Ann. § 56-45-104
		Tenn. Code Ann. § 56-4-205
LINE 2	Tax on Workmen's Compensation Premiums _____	Tenn. Code Ann. § 56-4-206
LINE 5	Minimum Tax Stipulated _____	Tenn. Code Ann. § 56-4-205
LINE 6	Additional Tax on Fire Insurance _____	Tenn. Code Ann. § 56-4-208
LINE 7	Surcharge on Workmen's Comp. Premiums _____	Tenn. Code Ann. § 56-4-206
LINE 8	Tax on Finance and Service Charge Premiums _____	A.G. Opinion 5-9-83
LINE 12	Reciprocity of Treatment (Retaliatory Tax) _____	Tenn. Code Ann. § 56-4-218
	FAILURE TO FILE TAX RETURN Within Time Prescribed _____	Tenn. Code Ann. § 56-4-216
	FAILURE TO FILE ANNUAL STATEMENT Within Time Prescribed _____	Tenn. Code Ann. § 56-1-502