



**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 INSURANCE COMPANIES TRANSACTING BUSINESS IN THE STATE OF TENNESSEE

RE: FILING STATEMENT OF PREMIUMS AND FEES FOR TAXATION

Following you will find a 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: 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 it 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 RETURNS** is as follows:

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
FINANCIAL AFFAIRS SECTION / ANALYTICAL UNIT 0576
ATTENTION: PREMIUM TAX SECTION
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243

Premium Tax Forms Website: <http://www.state.tn.us/commerce/insurance/lifecompanyRes.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"

LIFE AND ACCIDENT AND HEALTH COMPANIES

1. **WHO MUST FILE - DUE DATE – CORRECT PROCEDURE FOR FILING** – Any Tennessee insurance company or foreign company licensed in Tennessee must file, on or before March 1 of each year, a STATEMENT OF PREMIUMS AND FEES 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 the due date, or is mailed by certified or registered mail, or has a certificate of mailing on or before the due date. **A premium tax return and payment received by the department 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;** (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 subjected to debarment in this state until the taxes and penalties are fully paid.
4. **EXPIRATION OF LICENSE – CONTINUATION TO PAY TAX** – All foreign insurance companies, which shall take out or renew a license to transact business in the state, shall upon expiration of their license 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 licensed insurance companies 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. **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.

7. **MINIMUM TAX** – The minimum tax due by any company (except Fraternal Societies, and HMO's) for the privilege of transacting business for any 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.
8. **PENALTY FOR LATE PAYMENT AND DEFICIENT TAXES DUE** – Any company 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 each of 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 (\$10,000) 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. **RETALIATORY TAX** – Schedule A 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 company 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 A does not relieve the company of the statutory responsibility to report this fee. **Examples of such fees include, but are not limited to, 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 Workers' Compensation Insurance.** Any fees not listed in Schedule A should be itemized on line 8. Please attach an additional listing to the tax return if there is not enough room to itemize these fees on line 8. 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 in 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.

MUNICIPAL TAXES AND FEES:

Companies domiciled in Alabama, Florida, Georgia, Kentucky, Louisiana, Missouri, South Carolina or West Virginia must include municipal taxes (on a **Tennessee** basis) on schedule A of the Statement of Premiums and Fees for Taxation. Any other states (not listed) that have municipal or local taxes must include these taxes on a retaliatory basis on the Statement of Premiums and Fees for Taxation.

MASSACHUSETTS DOMICILED COMPANIES:

Companies domiciled in Massachusetts must include agent licensing fees on Schedule A Line 4. According to M.G.L. Chapter 175 Section 162S(d) and (e) which states:

“(d) An insurer shall pay an appointment fee, in the amount prescribed by section 14, for each insurance producer appointed by the insurer.

(e) An insurer shall remit, in a manner prescribed by the commissioner, a renewal appointment fee in the amount prescribed by section 14.”

NEW YORK DOMICILED COMPANIES:

New York companies may want to ESTIMATE AND PAY a tentative retaliatory tax, based on estimated franchise tax information (forms must be appropriately marked “ESTIMATED”), with the Retaliatory Tax Report by March 1st in order to avoid penalties and interest associated with all payments made subsequent to March 1st. The New York Franchise Tax forms, CT-33, CT-33-NL and CT-33-M, prepared on the **Tennessee** basis, are to be filed in Tennessee immediately upon filing the franchise information in New York. If an extension has been granted in New York, please staple a copy of Form CT-5 to the Retaliatory Tax Report.

ILLINOIS DOMICILED COMPANIES:

Illinois companies must include the Illinois Income Tax (IL-1120 on the **Tennessee** basis) in the State of Incorporated Column of the Retaliatory Tax Schedule A. You may want to ESTIMATE AND PAY a tentative retaliatory tax, based on estimated Illinois Income Tax information, in order to avoid penalties and interest associated with all payments made subsequent to March 1st. A copy of the Illinois Income Tax (IL-1120) forms, prepared on the Tennessee basis, is to be filed in Tennessee immediately upon filing the income tax information in Illinois. **NOTE: Companies filing Unitary Business Group forms in IL must complete a separate IL-1120 for each company within the group that is licensed in TN, using apportioned figures. DO NOT submit a spreadsheet giving the information.** If an extension has been granted in Illinois, please staple a copy of the extension form to the Retaliatory Tax Report.

10. **ANNUAL STATEMENT FILING FEE** – With few exceptions, insurance companies must remit \$515.00 for the filing of its Company's Annual Statement. This fee is listed on line 10 of the tax return. Please be sure that this fee is not duplicated when the Company's Annual Statement is filed, since the Tax Return and the Annual Statement must be filed separately. There is no fee due for filing the Statement of Premiums and Fees for Taxation (tax return). The Annual Statement filing fee must be remitted even if a credit balance exists or a refund is due. It is a nonrefundable fee.
11. **TENNESSEE LIFE AND HEALTH GUARANTY ASSOCIATION CREDIT - Tenn. Code Ann. § 56-12-212.** Offset of member tax liability
- (a)(1) A member insurer may offset against any premium, franchise, excise, or income tax liability (or liabilities) to this state an assessment described in Tenn. Code Ann. § 56-12-208(h) to the extent of the lesser of:
- (A) Ten percent (10%) of the amount of such assessment for each of the ten (10) calendar years following the year in which such assessment was paid; or
- (B) One-tenth of one percent (.10%) of all premiums written in this state by the member insurer for each calendar year until recovery of the assessment(s) is made.
- (2) In the event a member insurer should cease doing business in this state, all unaccredited assessments may be credited against any premium, franchise, excise, or income tax due for the year it ceases doing business.
- (b) A member insurer may transfer any offset right as described in this section to an affiliated member insurer. For the purposes of this section:
- (1) "Affiliated member insurer" means an insurance company licensed or holding a certificate of authority to do business in this state which controls, is controlled by, or is under common control with, another member insurer; and
- (2) "Control" means holding, directly or indirectly, the ownership of, or power to vote, one hundred percent (100%) of the voting stock of another member insurer.
- (c) Any sums which are acquired by refund, pursuant to Tenn. Code Ann. § 56-12-208(f), from the association by member insurers, and which have theretofore been offset against premium, franchise, excise, or income taxes as provided in subsection (a), shall be paid by such insurers to this state in such manner as the tax authorities may require. The association shall notify the commissioner that such refunds have been made.
- (d) "Class A" Assessments may not be credited against premium taxes according to Tenn. Code Ann. § 56-12-212(a).

Note : a spreadsheet showing amount of credit due is preferred instead of copies of the assessments.



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)

LIFE AND ACCIDENT AND HEALTH COMPANIES

FOR DEPARTMENT USE ONLY

CI373 121/970 _____

CI377 121/971 _____

CI378 122/551 _____

CI364 880/554 _____

Scanned

Amended

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

	Premiums	Tax
1. Life Premium Tax – (1.75% on taxable direct life premiums)	\$	\$
2. Accident and Health Premium Tax – (1.75% on taxable direct A & H premiums)	\$	\$
Do Not list a negative Tax amounts on any of the above lines; if negative, enter zero (0)		
*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) If less than \$150.00, Enter \$150.00 MINIMUM TAX		\$
6a. Amount Paid TN Insurance Dept. Previous Three Quarters: Life Premium Tax		\$
6b. Amount Paid TN Insurance Dept. Previous Three Quarters: Accident and Health Premium Tax		\$
7. Credit Due Company for the TN Life and Health Insurance Guaranty Association Assessment		\$
(Important: See Limitations set forth in Tenn. Code Ann. § 56-12-212)		
8. Total Deductions (sum of lines 6 thru 7) Note: Do not take credit for prior year overpayments		\$
9. Total Tax Due (Line 5 Minus Line 8)		\$
10. Annual Statement Filing Fee (Must be Remitted Even if Credit or Refund is Due)		\$ 515.00
11. Retaliatory Tax (As Computed in Schedule A)		\$
12. TOTAL AMOUNT DUE (Sum of lines 9, 10, and 11)		\$
Please attach a copy of Tennessee business page from the Annual Statement.		

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

* Explanation of Non-Taxable Premiums Required to Balance With Schedule T of Annual Statement. This exemption includes all annuity premiums and premiums or considerations received under life insurance policies issued in connection with any pension plan, annuity plan, or profit sharing plan qualified for Federal Income Tax advantage under part 1, subchapter D, subtitle A, IRS Code of 1954, including any amendments thereto and successors thereof, and to any trust qualified under Section 501 (a). IRS Code of 1954, including amendments and successors thereto.

FOR DEPARTMENT USE ONLY

Audited By _____ Date ____/____/____

RETALIATORY TAX		TENNESSEE COLUMN	STATE OF INCORPORATION COLUMN
Schedule A (COMPUTATION OF RETALIATORY TAX) Please provide documentation of all assessments reported		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		\$515.00	
2. Certificate of Authority Renewal (Company)			
3. Department Licenses and Fees (Itemize) (attach details) (a) _____ (b) _____			
4. Agents License Fees (Certificates of Authority) Show how figure was calculated on Schedule B page 3			
5. Agents Examination Fees and Filing Fees (Itemize) (a) _____ (b) _____			
	Premiums		
6a. Tennessee Life Premium Tax @ 1.75%			
6b. Tennessee A&H Premium Tax @ 1.75%			
*6c. State of Incorporation Life Premium Tax @ _____ %			
*6d. State of Incorporation Annuities Premium Tax @ _____ %			
*6e. State of Incorporation A&H Premium Tax @ _____ %			
7. Additional Premium Tax of _____% Account of Aggregate City, County, or Other Political Subdivisions (Example: Municipal Tax)			
8. Any Additional Tax, Fee or Obligation Subject to Retaliatory Law (Itemize) _____ _____ _____			
9. TOTALS (TN Minimum-\$515.00 Annual Statement Filing Fee plus \$150.00 Premium Tax)		\$	\$
10. DEDUCT TAXES AND FEES PAYABLE TO TENNESSEE (From line 9)			(\$)
11. IF POSITIVE (PLUS) REMAINDER, ENTER ON PAGE 1, Line 11, RETALIATORY TAX (Line 9 Minus Line 10)			\$

* Explain any reduction of premiums from state of incorporation basis in line 6c, 6d and 6e.

Schedule B

Agent Licensing Fees

* Residential and non-residential renewal fees for an agent's license are \$60.00 for every two (2) years or \$30.00 per year. These fees are the responsibility of the individual agent(s) to pay. An insurance company may optionally pay the producer/agent renewal fees to Tennessee for the producer/agent; however, if the insurance company chooses to optionally pay the fee for its Tennessee producer/agents, then it must choose to report the domicile state's fee for renewal producer/agents in the domiciliary state box as listed below. This applies even if the domiciliary state does not require the insurance company to pay producer/agent renewal fees in the domiciliary state.

Appointment and termination fees are the responsibility of insurance companies to pay in Tennessee. List appointment fees and terminations fees in state of domicile box only if it is required of Tennessee insurance companies to pay to your domiciliary state."

Tennessee			
	# of Agents	\$ per Agent	Total Agent Fees
Residential Appointments		\$ 15.00	
Non-Residential Appointments		\$ 15.00	
*Residential Renewals			
*Non-Residential Renewals			
Terminations		\$ 15.00	
Total Agent Fees			
Report total agent fees on Page 2 Schedule A line 4 Tennessee Column			

Name of Domiciliary State: _____			
	# of Agents	\$ per Agent	Total Agent Fees
Residential Appointments			
Non-Residential Appointments			
Residential Renewals			
Non-Residential Renewals			
Terminations			
Total Agent Fees			
Report total agent fees on Page 2 Schedule A line 4 State of Incorporation Column			

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 Life Premiums _____	Tenn. Code Ann. § 56-4-204
		Tenn. Code Ann. § 56-4-205
LINE 2	Tax on Accident and Health Premiums _____	Tenn. Code Ann. § 56-4-204
		Tenn. Code Ann. § 56-4-205
LINE 5	Minimum Tax Stipulated _____	Tenn. Code Ann. § 56-4-205
LINE 7	Tennessee Life and Health Insurance Guaranty Association Credit _____	Tenn. Code Ann. § 56-12-212
LINE 10	Fees Collected by Commissioner _____	Tenn. Code Ann. § 56-4-101
LINE 11	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