



STATE OF TENNESSEE  
 DEPARTMENT OF COMMERCE AND INSURANCE  
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 COMMISSIONER

**BULLETIN 16-04**

TO: All Surplus Lines Agents, Industrial Insureds, and Independently Procured Coverage Filers

FROM: Julie Mix McPeak, Commissioner *Julie Mix McPeak*

RE: Tennessee Surplus Lines Filing and Tax Payment

DATE: September 6, 2016

The purpose of this Bulletin is to provide guidance regarding the filing and payment of all surplus lines policies and premium taxes. This Bulletin is specific to surplus lines policies in which Tennessee is deemed the “Home State” under the provisions of the Nonadmitted and Reinsurance Reform Act (NRRRA) and all surplus lines policies where 100 percent of the premium exposure is in Tennessee.

The Department recently executed an agreement with the Florida Surplus Lines Service Office (FSLSO) for the continued use of the Surplus Lines Clearinghouse platform, the Surplus Lines Information Portal (SLIP).

Filing Guidelines for Policies Effective on or after October 1, 2016

Effective October 1, 2016, all new and renewal single and multistate policies will be filed as single state policies when Tennessee is the “Home State”, with 100 percent of the premium being reported to and taxed by Tennessee through SLIP. All policies with effective dates on or after October 1, 2016, will be subject to the 0.175 percent of gross premium SLIP transaction fee, which may be passed along to the insured, in addition to the 5 percent surplus lines premium tax.

Policies effective on or after October 1, 2016, will be invoiced by SLIP. Invoices will be processed quarterly and delivered to agents through SLIP. Taxes should be paid through SLIP via ACH directly to the Department, and the SLIP transaction fee can be paid via ACH or check to the FSLSO. The following schedule and deadlines will be followed for invoicing and payment of the SLIP transaction fee and taxes:

| Filings Received During | Invoices Issued | Payments Due              |
|-------------------------|-----------------|---------------------------|
| January 1 – March 31    | April           | May 15 <sup>th</sup>      |
| April 1 – June 30       | July            | August 15 <sup>th</sup>   |
| July 1 – September 30   | October         | November 15 <sup>th</sup> |
| October 1 – December 31 | January         | February 15 <sup>th</sup> |

Filing Guidelines for Policies Effective Prior to October 1, 2016

All policies with effective dates of October 1, 2014 through September 30, 2016, will continue to be filed through SLIP and will **NOT** be subject to the SLIP transaction fee. Surplus lines premium taxes for all policies and endorsements effective prior to October 1, 2016, should continue to be paid directly to the Department on a quarterly basis (same payment due dates listed in the schedule chart at the bottom of the first page) using one of the designated methods below:

| <b>Filer</b>                                  | <b>Filing Method</b>   |
|---|--|
| Surplus Lines Agent                           | Surplus Lines Statement of Premiums and Tax Payment form (SL-3) via OPTins or paper check – the form and procedures are located at: <a href="http://www.tn.gov/commerce/article/ins-surplus-lines">http://www.tn.gov/commerce/article/ins-surplus-lines</a>      |
| Industrial Insured/<br>Independently Procured | Industrial Insured/Self-procurement Statement of Premiums and Tax Payment form – the form and procedures are located at: <a href="http://www.tn.gov/commerce/article/ins-company-premium-taxes">http://www.tn.gov/commerce/article/ins-company-premium-taxes</a> |

Additional information regarding the new payment process will be forthcoming. For additional information, you may contact the Surplus Lines Clearinghouse staff at (877) 267-9855, option 1, or by email at [info@slclearinghouse.com](mailto:info@slclearinghouse.com).

Any questions regarding the intent of this Bulletin should be directed to the Insurance Division's Financial Affairs Section- Surplus Lines, 7<sup>th</sup> Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243 and/or (615) 741-1670 and/or [surplus.lines@tn.gov](mailto:surplus.lines@tn.gov).