

Memo

To: Captive Managers with Tennessee Captive Insurance Companies

From: Belinda Fortman – Director of Captive Insurance

Date: January 11, 2021

Subject: 2020 Annual Captive Premium Tax and Annual Report Filings

Dear Captive Managers,

Happy new year and thank you for your continued support of Tennessee! We experienced a banner year in 2020, making our 700 risk bearing entities milestone. As we look toward further growth in 2021, I wanted to send you a friendly reminder about requirements and due dates for the annual 2020 filings.

Annual Statements and Premium Tax

Annual statements and premium tax forms and payments must be filed with the Department by March 15, 2021. The only exception is that RRGs must file their annual statement reports by March 1, 2021.

March 1, 2021	Annual statement reports due for RRGs
March 15, 2021	Annual statement reports due for all captives except RRGs. Premium tax forms and payments due for <u>all</u> captives, including RRGs, through OPTins.

Any licensed captive with its Certificate of Authority effective in calendar year 2020 or earlier is expected to file an annual statement report (found in our Applications & Forms section [online](#)) and a premium tax form and payment through OPTins (Online Premium Tax for Insurance) by the above deadlines. Please note that fiscal year filers must submit an estimated annual report by March 15 to support the calendar year premium tax filing and payment.

Premium Tax – OPTins

The Captive Insurance Section utilizes OPTins for captive companies to file their premium tax forms and make premium tax payments online. If you have not yet registered your company, please contact optinsmktg@naic.org or call (816) 783-8787 to set up your OPTins account. Setting up a new account takes 7-10 business days, so plan ahead. Once your account is set up, the steps to submit your tax filing are simple and

Memo

require no formal training. Easy to follow instructions are available at <http://www.optins.org>. Once registered, you will be able to log in to complete your premium tax form and submit your payment online.

Form Completion

In completing the premium tax form, be sure to enter the type of captive and the number of cells, if applicable, along with any applicable tax credit elections (dormant captive status, tax holiday for redomesticated alien captives in year 1 or 2, captives formed after July 1, etc.). Premium tax amounts are calculated automatically based upon the data entered into the premium tax form. Please see T.C.A. § 56-13-114 for more information about premium tax calculation.

Financial Audits and Reserve Certifications

Annual audits and reserve certifications are due to be filed with the Company's assigned analyst by June 30, 2021. The only exception is that RRGs must file their actuarial opinion by March 1, 2021, their actuarial opinion summary by March 15, 2021, and their annual audited financial statements by June 1, 2021.

Timely Submissions

Timely filings for all statutorily required filings are important to avoid monetary civil penalties. If, in spite of your best efforts, you believe that you are not going to be able to timely file, please notify the Company's assigned analyst in advance of the deadline, communicating the reasons for the delayed filing and the estimated filing date. Timely and open communication with the Department will be your best strategy to minimize any civil penalties for late filing.

Electronic Filing Submissions

The Captive Section now accepts electronic copies of all filings with the Department. No paper documents are required. Original signature and notary stamps are still required for certain filings, but these documents may be scanned for submission to the Department.

Thank you for your help in making 2020 a prosperous year for TN captive insurance. We're looking forward to another great year working together!

Very truly yours,
Belinda