

**STATE OF ALABAMA  
DEPARTMENT OF INSURANCE**

201 Monroe Street, Suite 502  
Montgomery, AL 36104

PO Box 303351  
Montgomery, AL 36130-3351

**FEE AND TAX RETURN FOR CAPTIVE INSURER  
FOR THE YEAR ENDING DECEMBER 31, \_\_\_\_\_**

**COMPANY CODE:** \_\_\_\_\_ **COMPANY NAME:** \_\_\_\_\_

<b>Premiums and Dividends (To Nearest Dollar)</b>				
LINE NO	DESCRIPTION	DIRECT PREMIUMS WRITTEN (A)	DIVIDENDS PAID (B)	NET PREMIUMS  Col A – B = C
1	Direct Premiums Collected or Contracted For (Written)	\$	\$	\$
2	DIRECT INSURANCE PREMIUM TAX DUE (see attached schedule)			\$
<b>Assumed Reinsurance Premium (To Nearest Dollar)</b>				
LINE NO	DESCRIPTION	PREMIUMS AND TAXES		
3	Assumed Reinsurance Premiums	\$		
4	ASSUMED REINSURANCE PREMIUM TAX DUE (see attached rate schedule)	\$		
<b>Alabama Fees and Taxes (Captive Insurers)</b>				
LINE NO	DESCRIPTION OF TAXES AND OBLIGATIONS	TAXES AND FEES DUE IN ALABAMA		
5	Annual Renewal Fee (see instructions)	\$		
6	Gross Premium Tax (lines 2 + 4 or Minimum Tax: see attached schedule)	\$		
7	Less: Business privilege tax deduction (see attached instructions/rate schedule)	\$		
8	Less: Examination expense (see attached instructions/rate schedule)	\$		
9	Net Premium tax due	\$		
10	TOTAL AMOUNT OF FEES & TAXES DUE WITH THIS RETURN (Line 5 + Line 9)	\$		

State of \_\_\_\_\_ County of \_\_\_\_\_

We, the undersigned officer of the insurer and person preparing this form for the above named company, being severally sworn each for himself deposes and says that this return, including any accompanying schedules and statements has been examined by him, and is to the best of his knowledge, information and belief, a true and correct return, made in good faith and complete in all applicable parts, for the taxable year stated, pursuant to the laws of the state of Alabama.

Sworn and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

Notary Public	Officer of the Insurer	Person Preparing Fee & Tax Return
	Email Address	Email Address
	Title	(Area Code) Telephone Number and Ext.

# AL CAPTIVE ANNUAL TAX/FEE FILING INSTRUCTIONS

Each captive insurance company shall pay to the commissioner, by March 1 of each year, via tax remittance form, located at <http://www.aldoi.gov/PDF/Companies/CaptiveInsurerTaxForm.pdf> A license renewal fee of three hundred (\$300) and a tax on the direct premiums collected or contracted for and assumed reinsurance premium by the captive insurance company during the year ending December 31 next preceding per the rate schedules below. If the aggregate taxes to be paid by a captive insurance company amount to less than five thousand dollars (\$5,000) in any year, the captive insurance company shall pay a tax of five thousand dollars (\$5,000) for that year, unless the captive insurance company was not licensed for the entire calendar year. In which case, refer to the “minimum tax calculation” section of this instruction. The aggregate taxes paid by a captive insurance company may not exceed one hundred thousand dollars (\$100,000) in any year.

## **Direct Insurance Premium Rate Schedule**

If line 1 Col C: Is \$20 million or less, multiply line 1 by .004  
Is over \$20 million, line 2 is \$80,000 plus .003 times excess of \$20 million, not to exceed \$100,000 in tax due

## **Assumed Reinsurance Premium Rate Schedule**

If line 3: Is \$20 million or less, multiply line 3 by .00225  
Is over \$20 million but not more than \$40 million, line 4 is \$45,000 plus .0015 times excess of \$20 million  
Is over \$40 million but not more than \$60 million, line 4 is \$75,000 plus .0005 times excess of \$40 million  
Is over \$60 million, line 4 is \$85,000 plus .00025 times excess of \$60 million, not to exceed \$100,000 in tax due

\*No reinsurance premium tax is payable in connection with the receipt of assets in exchange for the assumption of loss reserves and other liabilities of another insurer under common ownership and control if the transaction is part of a plan to discontinue the operations of that insurer and if the parties intend to renew or maintain such business with the captive insurance company. No reinsurance tax applies to premiums for risks that are subject to taxation on a direct basis.

## **Minimum tax calculation**

If a captive insurance company has been licensed for less than a full calendar year and has written premiums the tax for which is less than the minimum set forth in this section, the tax due shall be prorated as follows:

Licensed on or before	3/31	@ 100%
	4/1 to 6/30	@ 75%
	7/1 to 9/30	@ 50%
	10/1 to 12/31	@ 25%
Surrendered: on or before	3/31	@25%
	4/1 to 6/30	@50%
	7/1 to 9/30	@75%
	10/1 to 12/31	@ 100%

## **Deductions**

Examination expenses paid in accordance with Code of AL Section 27-31B-10 and business privilege taxes paid in accordance with Code of AL Section 40-14A-22 by a captive insurance company shall be allowed as credits to the captive tax for the **calendar year in which they were paid**. In the event application of the credit results in a negative tax due, the tax due shall be zero and any unused portion of the credit may not be carried forward for use in subsequent years.

Refer to: <http://www.aldoi.gov/Legal/Title27.aspx>

Point of Contact: Sean Duke, [sean.duke@insurance.alabama.gov](mailto:sean.duke@insurance.alabama.gov) or 334-241-4165