ALABAMA DEPARTMENT OF INSURANCE
Surplus Line Broker
FAQs

- **Do I have to file monthly, quarterly and/or annually?**

Each individual surplus lines broker is required to file on or before March 1st an annual ID-15 tax form and payment with a policy report for all surplus lines insurance transacted during the preceding calendar year through OPTins at https://www.optins.org/. The tax form ID-15 and payment with a policy report can be submitted monthly, quarterly, and/or annually.

Individual surplus lines brokers are required to report policies (ID-12) within 30 days in which the business was transacted through the Surplus Lines Broker Login at https://aldoi.gov/SurplusLineWeb/BrokerLogin.aspx. Surplus Line Broker Filing Instructions can be viewed at https://aldoi.gov/SurplusLineWeb/PDF/SLProcessInstructions.pdf.

- **What is the deadline for monthly/quarterly filing?**

The annual ID-15 tax form and payment with a policy report can be submitted monthly, quarterly, and/or annually. There is not a filing date associated with monthly/quarterly filing.

- **Is there a way to access a report of ID-12s submitted monthly, etc.?**

There is a feature "view/edit" to view ID-12s for a specific time period. Once you select the period, you are able to export data to a text file where you can view information.

- **What are the filing requirements for Risk Purchasing Groups?**

Risk Purchasing Groups are required to file the ID-14 tax form and payment electronically through the NIC ALABAMA INTERACTIVE website. Filing instructions for Risk Purchasing Groups can be viewed at https://aldoi.gov/Companies/PurchasingTaxReturn.aspx.

If the filing is not submitted by the RPG, but by the surplus lines broker, the individual surplus lines broker is required to follow the filing requirements and instructions for the Alabama licensed surplus line broker. **NOTE: The four percent premium tax rate for RPGs will change to the six percent premium tax rate for surplus lines brokers. In addition, individual surplus lines brokers are required to report policies within 30 days in which the business was transacted.** Filing instructions for Surplus Lines Broker can be viewed at https://aldoi.gov/SurplusLineWeb/BrokerInfo.aspx.

- **Are there any exceptions to the diligent efforts requirements?**

Section 27-10-20 1(b) http://alisondb.legislature.state.al.us/alison/codeofalabama/1975/27-10-20.htm addresses the requirements for diligent efforts. Three declinations satisfy the diligent efforts requirement for placing business in the non-admitted market. These efforts must be indicated in the required field when submitting the ID-12 and are required each time a policy is written.

The only exemptions regarding diligent effort requirements are surplus lines coverage for an exempt commercial purchaser…. or wind and hail coverage in portions of Baldwin and Mobile Counties http://www.aldoi.gov/PDF/Legal/2010-01%20-%20Surplus%20Lines.pdf.

- **Are there any exemptions to the surplus line insurance tax law?**

Except for those outline in Section 27-10-34, http://alisondb.legislature.state.al.us/alison/codeofalabama/1975/27-10-34.htm there are no exceptions to the surplus line insurance tax law. The tax is imposed against the broker for the privilege of transacting business.

- **Are Surplus Lines Brokers required to file an ID-15 tax form for zero business transacted?**

Each individual surplus lines broker is required to file an annual ID-15 tax form and payment with a policy report for all surplus lines insurance transacted during the preceding calendar year by March 1st through OPTins at https://www.optins.org/. The tax form ID-15 and payment with a policy report can be submitted monthly, quarterly, and/or annually**. It is required for surplus lines broker to submit an annual ID-15 tax form to report zero business transacted.** View Surplus Line Broker Filing Instructions at https://aldoi.gov/SurplusLineWeb/PDF/SLProcessInstructions.pdf.

- **I am a Surplus Lines Broker Agency, am I required to file the annual ID-15 tax form on or before March 1st of each year?**

There is no requirement for surplus lines broker agencies to complete the annual ID-15 tax form. Filings are only required for the individual surplus lines broker.

- **I can no longer find the annual ID-15 tax form to print or download from the ALDOI website.**

Effective October 1, 2018 premium tax and surplus lines tax filings were mandated to the use of OPTins at https://www.optins.org/. The broker is required to complete the annual ID-15 tax form and submit payments electronically through OPTins. **Paper annual ID-15 tax forms are no longer available through the ALDOI website.**

- **Can broker fees be charged on admitted policies in the State of Alabama?**

Yes, broker fees are allowed and taxable as it relates to surplus lines, granted they are approved by the Department i.e. Rates and Forms Division.

- **How do I report a Return Premium for a policy effective during a prior year?**

Return premium must be reported in the initial tax year in which the policy is effective, and tax is remitted. The Return Premium is to provide a credit against the premium taxes submitted for the initial tax year, therefore the broker is required to amend the initial tax year's ID-15 tax form to report the credit. To report return premium, please refer to the following instructions to '***Submit Amend ID-12' (Cancellations, Endorsements, Audit Premium) and Amend ID-15*** at https://aldoi.gov/SurplusLineWeb/PDF/SLProcessInstructions.pdf.