



MEMORANDUM

TO: All Companies Subject to Insurance Premium Tax and/or Annual Renewal Fees
FROM: Ann Fletcher, Tax and Fees Coordinator
RE: CY 2009 Annual Premium Tax and Fees and Annual Renewals Filing Procedures

The Delaware Department of Insurance offers two submission options for calendar year 2009 annual premium tax and fees reports and annual renewal forms. Details of the two methods are included below. Further information can be found at the Department's website: www.delawareinsurance.gov

OPTION ONE: OPTins (Online Premium Tax for Insurance)

The OPTins system is a web-based application developed by the NAIC that allows online filing of premium tax forms and payments.

OPTins is the preferred method for submitting calendar year 2009 annual premium tax and fees and annual renewals. The Delaware Department of Insurance encourages all companies – including tax-exempt and non-admitted companies that pay annual renewal fees – to use OPTins to submit Delaware premium tax and annual renewal forms and payments electronically.

The use of OPTins is ***not*** mandatory at this time; however, there are many benefits for companies that do use the system.

- Companies that file using OPTins can complete the forms provided in the program ***online*** and send them with a click of a button for immediate delivery to the State.
- Electronic filing of forms and the ACH debit method of payment eliminate the costs of having a check cut and for mailing or overnight delivery. The savings in delivery charges and check processing costs may offset the \$10 transaction fee charged by the NAIC.
- OPTins allows for immediate notification if the filing is complete or if the state needs something added to complete the filing. Amendments or revisions can be uploaded into the system at no additional charge, for immediate delivery to the state.
- OPTins provides detailed reports for companies to use to reconcile with their bank statement. In addition, company users can enter the system to check on a filing at any time.
- Schedules and exhibits from the company's NAIC annual statement are immediately available to the state user. There is no need for the company user to attach these documents to the filing.

The setup process with the NAIC is simple, with no license or registration fee involved. However, the process can take up to two weeks to complete, so companies should sign up early to be ready in time for the March 1 filing deadline. The steps to submit premium tax filings using OPTins are simple and require no formal training, but users should follow all instructions, including those attached to forms, carefully.

Companies interested in using OPTins should contact the NAIC OPTins Help Desk directly at optinshelp@naic.org or 816-783-8990. Easy to follow instructions will be provided by the NAIC.

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OPTION TWO: Paper Filing

All premium tax and annual renewal Forms and Instructions are available on the Department's website: www.delawareinsurance.gov. Click the link labeled "Taxes and Fees" on the left side of the home page, then select the link for the desired form from those listed on the Premium Taxes page.

Forms are in fillable PDF format. Fill in all fields on the form as instructed, and then print the form for submission to the Department.

All paper filings, including attachments as listed below must be sent to the following address:

Delaware Department of Insurance
Attn: PREMIUM TAX SECTION
841 Silver Lake Blvd.
Dover, DE 19904-2465

PLEASE NOTE THE FOLLOWING SPECIFIC INSTRUCTIONS FOR PAPER FILINGS:

1. DO NOT include the tax return or payment with the Annual Statement filing.
2. Emailed filings, including revisions, will NOT be accepted.
3. Each section of the tax return must be completed. For those sections of the return that do not apply, enter zeroes.
4. Companies with an amount due must pay by check. Make checks payable to *Delaware Insurance Department*. Each tax return must have a separate check attached to it. DO NOT submit one check for multiple filings.
5. DO NOT attach copies of home state tax returns for retaliatory tax purposes.
6. Amounts reported on Working Form T-1, Lines 1 through 4, must match State Page amounts. If there is a difference in the reported amount of taxable premium, a detailed RECONCILIATION SCHEDULE must be attached for the Department's consideration.
7. Attach the following annual statement schedules and exhibits to each tax return:

ALL INSURERS (including Fraternal Benefit Societies):

- *State Page [Statutory Page 14]* (Health Insurers attach *Exhibit of Premiums, Enrollment and Utilization*)
- *Schedule T*

DELAWARE DOMESTIC INSURERS must also attach:

- *Exhibit of Net Investment Income*
- *Underwriting & Expense Exhibit, Part 1B, Premiums Written*
- *W-3 Forms or year-end payroll reports* (if claiming credit on Working Form T-2 for employee services performed.)

IMPORTANT: If any section of the tax return is not completed, or if any of these required supplemental documents are not attached to the tax return, the company will be notified that the filing is incomplete. Notification will be sent to the email address listed in the Company Information Section of the tax return, or by U.S. postal service if an email address is not listed. Incomplete/late filing penalties will begin to accrue on the date of notification and will continue until the completed section or required document is received by the Department.

QUESTIONS regarding this memorandum should be directed via email to ann.fletcher@state.de.us.