



**IMPORTANT NEWS**

EFFECTIVE JULY 30, 2014, DELAWARE'S SURPLUS LINES PREMIUM TAX RATE INCREASED FROM 2% TO 3%. THIS TAX RATE INCREASE APPLIES TO **ALL** SURPLUS LINES POLICIES, INCLUDING INDEPENDENTLY PROCURED POLICIES AND POLICIES PROCURED FOR RISK PURCHASING GROUPS.

PLEASE SEE DELAWARE SURPLUS LINES BULLETIN #14 AT THIS LINK:  
<http://www.delawareinsurance.gov/departments/documents/bulletins/>

PREMIUMS CHARGED AFTER JULY 30, 2014 FOR SURPLUS LINES POLICIES SHALL BE TAXED AT THE RATE OF 3%. PREMIUMS CHARGED ON OR BEFORE JULY 30, 2014 FOR SURPLUS LINES POLICIES SHALL BE TAXED AT THE FORMER RATE OF 2%.

THOSE POLICIES EFFECTIVE AFTER JULY 30<sup>TH</sup> AND TAXED AT THE 3% TAX RATE, MUST BE REPORTED SEPARATELY FROM POLICIES EFFECTIVE ON OR BEFORE JULY 30<sup>TH</sup> AND TAXED AT THE 2% TAX RATE.

SURPLUS LINES FORMS ARE CURRENTLY BEING UPDATED BY THE DELAWARE DEPARTMENT OF INSURANCE TO ALLOW SURPLUS LINES BROKERS TO REPORT BUSINESS SEPARATELY BASED ON TAX RATE AND ENSURE THAT THE PREMIUM TAX IS CALCULATED CORRECTLY.

**DUE TO THE DELAY IN MAKING UPDATED REPORTING FORMS AVAILABLE, DELAWARE INSURANCE COMMISSIONER KAREN WELDIN STEWART HAS DECLARED A MORATORIUM ON LATE FILING PENALTIES FOR POLICY REPORTS DUE WITHIN 30 DAYS OF THE EFFECTIVE DATE. THIS MORATORIUM SHALL APPLY TO ALL SURPLUS LINES BUSINESS EFFECTIVE DURING THE MONTHS OF JULY AND AUGUST 2014.**