

Article 48A - Insurance Code

194.

(a) The premiums charged for surplus lines coverages are subject to a premium receipts tax of 3% on all gross premiums less any returned premiums charged for such insurance. The surplus lines broker shall charge the insured the amount of the tax at the time of delivery of the cover note, certificate of insurance, policy or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance, provided, however, that the tax on any unearned portion of the premium shall be returned to the policyholder by the surplus lines broker. The surplus lines broker is prohibited from absorbing such tax, or, as an inducement for insurance or for any other reason, rebating all or any part of such tax or of his commission.

(b) If the surplus lines policy covers risks or exposures only partially in this State, the tax payable shall be computed on the portion of the premium which is properly allocable to the risks or exposures located in this State.

(c) This section does not apply to reinsurance or insurance of risks referred to in § 199, nor to insurance of risks of the State government or any of its political subdivisions.

195.

(a) On or before March 15 and September 15 each surplus line broker shall file with the Commissioner a report of the gross premiums charged less premiums returned for business subject to tax done the preceding half calendar year. Reports shall be verified in a manner prescribed by the Commissioner and contain that information required by the Commissioner.

(b) The total amount of tax imposed by § 194(a) of this article, and appearing on the semiannual report, shall be paid to the Commissioner at the time fixed for filing the report.

(c) Any report, affidavit, or return required to be filed under this subtitle shall comply with the filing requirements if mailed and postmarked by the United States Postal Service on or before the filing date.

(d) Surplus line brokers, WITH RESPECT TO PENALTIES WHICH BECOME FINAL ON OR AFTER JULY 1, 1982, are subject to the provisions outlining penalties, interest, audits, assessments, limitations, appeals, and refunds, in Article 81, §§ 140 through 143A, inclusive, of the Code concerning insurance premium taxes.

(e) A surplus line broker shall be entitled to credit any examination expense paid or assessed under § 33 of this article against the total tax due.