



**Government of the District of Columbia**  
**Department of Insurance, Securities and Banking**



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Acting Commissioner

**2015 DC Insurance Premium Tax Filing Instructions**

**What's New for 2015:**

- **Effective on October 1, 2015, District of Columbia premium tax rate on non-accident and health (Non-A&H) insurance premiums written on and after October 1, 2015 has been decreased from 2% to 1.7%** based on the sunset 2% premium rate in D.C. Code § 47-2608 (2014); however, the 2% of DC premium tax rate on A & H insurance premiums still stay the same. (See detailed instructions on Line 8 and 9 below).
- **Beginning at 2015 annual premium tax filing, all premium tax returns as well as premium tax payments sent to the DISB office address will be at risk for 8% late fee assessment.**
- **Beginning at 2015 annual premium tax filing, DC licensed insurance companies with zero (\$0) direct written premiums in DC during 2015 and meeting all conditions listed in the "Filing Requirements" section, are not required to file DC annual premium tax return.** (See detailed information in the "Filing Requirements" section below.)

**Filing Requirements:**

- **All DC licensed insurance companies, including reinsurance companies, registered risk retention groups, and risk purchasing groups** must file the 2015 insurance tax return; (Foreign and Alien insurers must also complete PART II of the DC 2015 Insurance Tax Return);
- **Except those companies with zero (\$0) direct written premium in DC during 2015.** If a company has zero (\$0) DC written premiums during 2015 and meets all of the following conditions, this company is not required to file 2015 DC annual premium tax return:
  1. The company does not owe retaliatory tax to DC
  2. The company does not claim CAPCO credit
  3. The company does not claim a premium tax credit or refund due to prior years' overpayment or amendment of prior years' premium tax returns
  4. The company does not have an overpayment from prior years or current year's installment payment to be carried over to future installment

**When and Where Should You File?**

- DC 2015 annual premium tax return is due on March 1, 2016. If you do not file the return by the due date, a penalty of 8% (eight percent) per month will be imposed until the appropriate tax is paid.
- Using NAIC *OPTins* to file and pay DC premium tax is optional and encouraged. If *OPTins* is not used:

- **All premium tax returns with payments** should be mailed together with the appropriate checks made payable to the D.C. Treasurer, must be mailed, through the United States Postal Service only, to:

**D.C. Treasurer  
Insurance Bureau  
LOCKBOX 92180  
Washington, DC 20090-2180**

- **All premium tax returns without payments** should be emailed to DISB at email address [disb.premiumtax@dc.gov](mailto:disb.premiumtax@dc.gov).
- If you have questions regarding the use of the premium tax form and any other matters concerning DC insurance premium taxes, please contact DISB Insurance Tax Unit at telephone (202) 442-8568 or (202) 727-8000 or Email: [disb.premiumtax@dc.gov](mailto:disb.premiumtax@dc.gov).

### **Line Instructions for 2015 DC Annual Premium Tax Form**

Part I – Premium Tax:

**Line 1, 2, 4 - Gross Premiums, Qualified Premiums and Deductions** that do not agree with amounts reported in the annual statement must be explained separately. Schedule T and state page are not required to submit with the return.

**Line 4 (a) – FEHBP & FEDVIP:** FEHBP stands for federal employees’ health benefit plans and FEDVIP stands for federal employees’ dental and vision plans. Premiums from both FEHBP and FEDVIP are exempted from DC premium tax.

**Line 4 (d) – Other:** this line has combined returned premiums on policies not taken, dividends paid in cash or used in payment of renewal premiums listed in separate line in the prior year’s form. You should write down a description for the specific deductions that you are taking in the fillable field on this line.

**Line 8 and 9 – Premium tax calculations on non-A & H premiums:** In order to correctly calculate premium tax on non-A&H premiums due to DC premium tax rate changed effective on October 1, 2015, you should take the following steps:

1. Use one of the two methods listed below to allocate the Total taxable amount reported in line 7:
  - (1) Average the Total taxable amount reported in Line 7 by four quarters or 12 months; allocate 3 quarter of the amount in Line 7 to Line 8 and one quarter to Line 9; or
  - (2) Based on the actual date of premium written during 2015, allocate the premiums written before October 1, 2015 to Line 8; and the premiums written on and after October 1, 2015 to Line 9.
2. Key in the premium amount allocated to prior October 1, 2015 in the green bordered box on Line 8; then the written premium amount allocated to post September 30, 2015 in the green bordered box on Line 9 will be automatically calculated by subtracting the amount in Line 8 from the Total taxable amount reported in Line 7.
3. The first column in Line 8 and Line 9 will automatically calculate premium tax if you are using the fillable 2015 DC premium tax form. However, if you are filling the premium tax return form

manually, you should manually calculate premium tax for the first column in Line 8 and Line 9 by multiple the amount in the green bordered box in Line 8 by 2% and multiple the amount in the green bordered box in Line 9 by 1.7%

**Line 10 – Premium Tax** For non-A&H premium tax, this line is the sum of the first columns in Line 8 and Line 9; for A&H premium tax, this line is the product of Line 7 multiplied by 2%.

**Line 13 (e) – Guaranty Fund Tax Credit and Refunds** Pursuant to D.C. Official Code §31-5410, insurance companies are granted premium tax credits or “offsets” for Class B assessments made by the DC Life and Health Insurance Guaranty Association (Guaranty Fund) at the rate of 10% (10 percent) per year for 10 years, following the year in which the assessments were made. In addition, §31-5410(b) states that “Any sums which are acquired by refund, pursuant to §31-5406(f) from the Association by member insurers ... shall be paid by member insurers to the District of Columbia...”

- Please note that Guaranty Fund Tax Credits and Refund in Line 13(e) are granted only for Class B assessments made by the DC Life and Health Insurance Guaranty Association (“L&H Guaranty Fund”). Class A assessments are for administrative purposes and cannot be recovered through premium tax credits. Accordingly, any premium tax credits taken for Class A assessments will be rejected. **The companies with an assessment from the Property & Casualty Guaranty Fund should not take a credit on line 13(e).**
- Companies with a Class B assessment from the L&H Guaranty Fund taking a Guaranty Fund tax credit on Line 13(e) of the tax return must file the L&H Guaranty Fund Assessment Invoice or the “Certificate of Contribution,” along with the completed “Life and Health Insurance Guaranty Fund Class B Assessment Recovery Form (“Guaranty Fund Form” or “Form”). Failure to do so will result in the company’s tax return being rejected. The company may be imposed additional interest and penalty in accordance with DC Official Code §47-2609.
- Instructions for completion of the Guaranty Fund Form:

In order to take the credit, you shall follow the steps below and refer to the Guaranty Fund Form Example to complete the Guaranty Fund Form:

1. From the combined L&H Guaranty Fund assessment invoice, pick up only the class B assessment for Life and Health accounts to key in the assessment amount in the related columns in the Guaranty Fund Form as positive number in the year the assessment is made. The form will automatically amortized each year’s assessment in 10 years at 10% per year beginning the following year.
2. From the combined L&H Guaranty Fund assessment invoice, pick up the class B refund for life and health accounts to key the refund amount in the related columns in the Form as negative numbers in the year the refund is made. The Form will automatically take the whole refund amount in the following year to offset with the L&H Guaranty Fund assessment amount in the column of “Tax Credit (refund) to Line 13e”. **(Please note that the L&H Guaranty Fund class B refund may not come with a separate refund check and may be used to offset with class A and annuity assessment. Accordingly, companies are advised that any L&H Guaranty Fund invoice received for less than the amount of the current Class A and annuity assessment means that the company was issued a refund for one or more of the Class B accounts.)**
3. Transfer L&H Guaranty Fund credit (refund) from the column of “Tax Credit (refund) to Line 13e” in the Form to Line 13e in the insurance premium tax return. Remember to transfer the same positive or negative numbers in the Form to the Return. The positive number means tax credit

which should be added to Line 13h – Total credit & payments; the negative number means tax refund which should be subtracted from Total credits & Payments in Line 13h.

**Line 17 – Overpayment** if the premium tax return indicates an overpayment on Line 17, please note that refund checks will not be processed before June 1 installment payment is due. It is recommended that overpayments be applied to the future installment.

**2016 DC Installment Return**

2016 DC premium tax installment return should be filed with the installment payment by June 1, 2016 for all DC licensed insurance companies who have the total tax liability on Line 12 of 2015 Insurance Premium Tax Return is \$1,000 or more.