



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



William P. White
Commissioner

INSURANCE TAX FILING INSTRUCTIONS

1. Premium tax forms are available from the [DISB website](http://disb.dc.gov/) at <http://disb.dc.gov/> under, “Regulated Entities” ● “Insurance” ● “Insurers” ● “Insurance Tax Returns & Installment Reporting” ● “2012 Insurance Tax Return Filing Packet”. Forms are available for Life & Health, P&C (including RRG), Health, and Title companies.
2. **All licensed insurance companies, including reinsurance companies, registered risk retention groups, and risk purchasing groups** must file the insurance tax return even if there were no direct written premiums in DC during the calendar year. Foreign and Alien insurers must also complete PART II of the INSURANCE TAX RETURN. *Please do not include fees or assessments in the retaliatory tax computation.*
3. Effective October 1, 2010 the District has a 2.0% premium tax rates for all insurance. Effective January 1, 2009 HMO premiums are taxed at 2.0% for non-federal, non-subsidized health premiums.
4. Gross Premiums, Qualified Premiums and Deductions that do not agree with amounts included in the annual statement must be explained separately.
5. Companies taking a premium tax credit on Line 11(e) of the tax return must file the L&H Guaranty Fund Assessment Invoice or the 2010 “Certificate of Contribution,” along with the completed L&H Guaranty Fund Assessment Class B Assessment Recovery form. Failure to do so will result in the company’s tax return being rejected.
6. Instructions for Completing Line 11(e) – DC Life and Health Guaranty Fund Premium Tax Credit
 - Please note that DC L&H Guaranty Fund premium tax credits are granted only for Class B assessments made by the DC Life and Health Insurance Guaranty Association (Guaranty Fund). Any premium tax credits taken for Class A assessments will be rejected.
 - 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...”
 - Class A assessments are for administrative purposes and cannot be recovered through premium tax credits. Accordingly, all Class A premium tax credits will be rejected.
 - Beginning in tax year 2003, the District of Columbia discontinued granting L&H Guaranty Fund premium tax credits for annuity considerations. The formula used by the Guaranty Fund for calculating the “amount that can be amortized” should also exclude assessments for annuity considerations.

- It is the custom of the Guaranty Fund to issue one assessment invoice to its members. Companies which were issued Class B Guaranty Fund refunds may not have received a separate refund check. Also, the Guaranty Fund invoice may include a combination of Class A assessments and assessments for the Life, Health and Annuity accounts. Accordingly, companies are advised that any Guaranty Fund invoice received for less than the amount of the current Class A assessment means that the company was issued a refund for one or more of the Class B accounts.
 - Before completing Line 11(e), Guaranty Fund member companies must separate Class A assessments and Annuity assessments and report only Class B assessments and refunds for the Life and Health accounts on the DC Life and Health Insurance Guaranty Fund Class B Assessment Recovery form. Failure to do so may result in the company being imposed additional interest and penalty in accordance with DC Official Code §47-2609.
 - Class B refunds for the Life and Health accounts shall be paid back to the District in one single payment. Accordingly, the refunds should be entered on the DC Life and Health Insurance Guaranty Fund Class B Assessment Recovery form as **negative entries** in the Life Refund and A&H Refund columns.
 - Companies with Guaranty Fund Assessments that file other than the Life & Health or Health forms should record the assessments in the “Other Prior Payments” line.
7. If the premium tax return indicates an overpayment on Line 15, please note that refund checks will not be processed before the June 1 installment payment is due. **It is recommended that overpayments be applied toward future installments.**
 8. An **INSTALLMENT REPORTING STATEMENT** should be filed with the installment payment by June 1 if the total tax liability for the previous March 1 is greater than \$1,000,
 9. Companies are expected to file the **INSURANCE TAX RETURN** on a timely basis without any further notification from the Department of Insurance, Securities and Banking. A penalty of 8% (eight percent) per month will be imposed until the appropriate tax is paid.
 10. The Department of Insurance, Securities and Banking encourages the use of *OPTins* as a method for filing and paying premium taxes. The use of *OPTins* is optional, if *OPTins* is not used, payments should be made as instructed below.
 - The completed **INSURANCE TAX RETURN** together with the appropriate checks, made payable to the D.C. Treasurer, must be remitted to the:

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

11. If you have any questions regarding the use of the premium tax forms or any other matters concerning insurance taxes, you are requested to direct them to the Insurance Tax Unit, telephone (202) 442-8568 or (202) 727-8000 or Email: jessie.li@dc.gov.