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Bulletin 206

REQUIREMENT FOR ELECTRONIC FILING OF PREMIUM TAX FILINGS, ANNUAL RENEWAL FEES, AND PAYMENTS

This Bulletin is directed to all companies and surplus lines producers submitting premium tax and insurance company annual renewal fees to the Department. In 2011, the Department began using the National Association of Insurance Commissioners (NAIC) system known as OPT*ins*, an online premium tax filing system. OPT*ins* offers insurance companies and surplus lines producers the ability to submit filings, fees, and payments electronically. This Bulletin provides notice to companies and surplus lines producers (collectively, "Filers") of the roll-out of new electronic filing requirements.

For the rest of 2014, use of OPT*ins* will remain voluntary for all Filers. Filers are nevertheless encouraged to use OPT*ins* for all 2014 filings, to gain a familiarity with the system and its uses.

Effective January 1, 2015, all insurance companies must submit their annual premium tax, quarterly estimated tax, and annual renewal fees and payments electronically through OPT*ins*. The Department will not accept paper filings after December 31, 2014, and companies that attempt to submit a paper filing may face late penalties, interest, and other consequences for failure to comply with the new filing requirement.

Also beginning in 2015, surplus lines producers will be required to use the OPT*ins* system for surplus lines semi-annual tax filings. Beginning with the filing due February 1, 2015, it will be mandatory for all surplus lines producers to submit their filings and payments through the OPT*ins* system even if no premium tax is due. However, monthly affidavits and policy details should continue to be sent directly to the Department in hard copy form.

The Department believes the use of OPT*ins* will provide benefits to Filers as well as the Department. OPT*ins* does not require Filers to pay any licensing fees or purchase special software. Filers will also save the costs associated with paper filings. Furthermore, use of OPT*ins* should eliminate misplaced filings and/or payments and associated late payment penalties. In addition, OPT*ins* contains a feature that will allow Filers to schedule filings to be submitted automatically on a designated date.

Instructions for submitting tax and fee filings are available at: http://www.optins.org. Filers must contact the OPT*ins* Marketing Team at optinsmktg@naic.org or call (816) 783-8787 for setup of an OPT*ins* account if they do not already have one. Once registered and set up, the Filer will be able to log in, upload filing forms, and submit payment online via ACH debit or credit. If a Filer uses ACH debit, payment is released to the Department with the filing. If the Filer uses ACH credit, there is a delay before the Department receives the filing and payment, because the submission is not released until the NAIC receives the funds for the filing. Thus, to ensure compliance with statutory deadlines, a Filer should use ACH debit or submit the filing well in advance of the deadline.

The current OPT*ins* per-transaction fee is $10. This fee is set by OPT*ins* and not the Department. If the per-transaction fee is substantially increased, the Commissioner will reconsider the mandatory nature of these filings. Furthermore, any company may request from the Commissioner an exemption from this mandate by showing good cause.

Questions regarding this Bulletin should be directed to Debra Graves, Premium Tax Auditor, at (317) 232-1993 or *dgraves@idoi.IN.gov*, or Annette Gunter, Supervisor of Financial Services Operations, at (317) 232-2428 or *agunter@idoi.IN.gov*.

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