

By Senator Hays

20-00989A-12

20121190__

1 A bill to be entitled
 2 An act relating to insurance premium taxes; amending
 3 s. 624.509, F.S.; exempting contributions to surplus
 4 which are collected by a mutual property and casualty
 5 insurance company domiciled in this state from its
 6 policyholders from insurance premium taxes under
 7 certain circumstances; providing an effective date.

8
 9 Be It Enacted by the Legislature of the State of Florida:

10
 11 Section 1. Subsection (1) of section 624.509, Florida
 12 Statutes, is amended to read:

13 624.509 Premium tax; rate and computation.—

14 (1) (a) In addition to the license taxes provided for in
 15 this chapter, each insurer shall also annually, and on or before
 16 March 1 in each year, except as to wet marine and transportation
 17 insurance taxed under s. 624.510, pay to the Department of
 18 Revenue a tax on insurance premiums, premiums for title
 19 insurance, or assessments, including membership fees and policy
 20 fees and gross deposits received from subscribers to reciprocal
 21 or interinsurance agreements, and on annuity premiums or
 22 considerations, received during the preceding calendar year, the
 23 following amounts ~~thereof to be determined as set forth in this~~
 24 ~~section, to wit:~~

25 1.(a) An amount equal to 1.75 percent of the gross amount
 26 of such receipts on account of life and health insurance
 27 policies covering persons resident in this state and on account
 28 of all other types of policies and contracts, ~~except annuity~~
 29 policies or contracts taxable under subparagraph 2., paragraph

20-00989A-12

20121190__

30 ~~(b)~~ covering property, subjects, or risks located, resident, or
31 to be performed in this state, omitting premiums on reinsurance
32 accepted, and less return premiums or assessments, but without
33 deductions:

34 ~~a.1.~~ For reinsurance ceded to other insurers;

35 ~~b.2.~~ For moneys paid upon surrender of policies or
36 certificates for cash surrender value;

37 ~~c.3.~~ For discounts or refunds for direct or prompt payment
38 of premiums or assessments; and

39 ~~d.4.~~ On account of dividends of any nature or amount paid
40 and credited or allowed to holders of insurance policies;
41 certificates; or surety, indemnity, reciprocal, or
42 interinsurance contracts or agreements; and

43 ~~2.(b)~~ An amount equal to 1 percent of the gross receipts on
44 annuity policies or contracts paid by holders thereof in this
45 state.

46 (b) The amount collected by a mutual property and casualty
47 insurance company domiciled in this state from its policyholders
48 as a contribution to surplus is exempt from the tax on premiums
49 under this subsection if the contribution to surplus is:

50 1. Authorized by the insurer's bylaws as approved by the
51 Office of Insurance Regulation;

52 2. Identified by the insurer as a contribution to surplus
53 on the declarations page attached to each policy issued or
54 renewed by the insurer; and

55 3. Described in the insurer's underwriting manual and the
56 contribution to surplus was approved by the Office of Insurance
57 Regulation as not being part of the insurer's rate filing which
58 was filed with and approved by the office.

20-00989A-12

20121190__

59

60 The amount of the insurer's premium subject to the tax on
61 premiums and the amount of the contribution to surplus which is
62 not subject to the tax on premiums must be stated separately in
63 the notes to the annual and quarterly financial statements filed
64 by the insurer with the Office of Insurance Regulation.

65

Section 2. This act shall take effect July 1, 2012.