



# MSLAA

MONTANA SURPLUS LINES AGENTS' ASSOCIATION – NEWSLETTER

DECEMBER 2007

## Year End Tax Statements

Hello All,

It is that time of the year again and we about to close out 2007 so we can start preparing your tax statements for the 2007 year. Tax statements will be mailed out only to licensed surplus lines producers before March 1, 2008. *Payments are due to the State of Montana by April 1, 2008 and checks are made payable to: **State of Montana**.* Here are some tips to make yearend go smoothly:

1. **IMPORTANT:** If you want your 2007 policies to be entered and reported on the 2007 year tax statement you **must** have the submission forms and any endorsements completed and sent into the stamping office prior to the New Year (Jan 1, 2008). Otherwise you will not see them until next year's tax statement.
2. ACCOUNTANTS: Please reconcile your accounts against the monthly tax reconciliation report we send out with your monthly stamping fee bill. Don't wait until the last minute to have us correct problems with any filings as it may be too late to get them updated and on the 2007 tax statement.
3. Remember, submissions have to be sent to us within 30 days of the effective date of the policy so get those December policies to us in a timely manner.
4. If you did not write any business in Montana in 2007 you will not receive a tax statement nor are you required to file anything further (no zero filings). If you have any questions please call 406-443-7324.
5. All submissions sent in after December 31, 2006 that have an effective date of 2008 to 2009 will not be processed until after April 1, 2008. **There will be no changes to your 2007 tax statement after close of day March 31, 2008.** You will be required to pay the statement as is after that point.

## New Forms

Please be aware that our forms are updated about every six months. If you have not downloaded new forms in the last 2 -3 months please do so

and delete any old forms that you may have. This will prevent us from having to send back submissions and having you complete all of the information on the current form. While you are downloading the current form please make sure that you also have the most recent Approved Risk List and the Companies Eligible List as they are also updated every six months.

### [Filling Out Submission Forms](#)

When filling out a submission form, please use our interactive form that can be completed from your computer or you can type the information in with a typewriter. This is not required, but some handwriting can be very difficult to read which may cause a delay in processing of your submission.

Before sending in a submission form to the stamping office please look over the form and verify that all fields are completed. When fields are not completed, they will be sent back to the surplus lines producer to be completed. This quick step can save your agency a lot of time and money. All of us here at the MSLAA stamping office appreciate your help with this matter.

### [Calendar of Events:](#)



Check out the 2008 Western States Surplus Line Conference: *Yesterday & Today: The NEW Oregon Trail*. It is taking place July 13-16, 2008 in Sunriver, Oregon.

This is a must attend event for anyone who works in the surplus lines market.

Register at <http://www.wsslc08conference.com/index.html>

## **FREQUENTLY ASKED QUESTIONS**

**Q: Is Inland Marine subject to Fire Tax?**

**A:** Yes, Effective January 1, 2004 all submissions received by the Montana Surplus Lines Stamping Office will be subject to the 2.5% Fire Premium Tax on Inland Marine premiums. Tax is calculated using **60% of the base Inland Marine premium** (not 100% of the premium) multiplied by 2.5% Fire tax. See [33-2-317. Exemptions](#) and <http://www.mslaa.org/news.html> for further detail.

**Q: Are Reservations in Montana exempt to Premium Taxes and Fire Taxes?**

**A:** Yes, but they are not exempt to the Stamping Fee which is an administrative cost for processing the filing. If you have any questions please call Barb Vander Mars at the Department of Insurance for more detail 406-444-2040.

**Q: What is the ARL List and how does it apply to me as a Producer or Customer Service Representative?**

**A:** The Approved Risk List is a list of risks that are very hard or impossible to place in the Authorized Market. The Montana Department of Insurance (DOI) reviews the list with a committee and approves this list every 6 months. The DOI can amend the list at anytime.

If you are writing a risk that falls under one of the categories listed then it is automatically can be placed in the Surplus Lines market unless you are aware of an admitted market that is willing to write and/or renew. This allows you to skip questions #1 through #4 on the submission form.

**Q: How much time do I have to get my completed submission form to the Surplus Lines Stamping Office?**

**A:** You have 30 days from the effective date of the policy. You may file on a binder if the policy has not yet been received.

**Q: When I write the policy through Underwriters at Lloyd's, do I have to list the syndicate number on the submission form?**

**A:** Yes, since only certain syndicates are allowed to write business in Montana the stamping office must know what syndicate you are using. To see a list of eligible syndicates please go to "Forms and Materials to download the surplus lines eligible company list.

**Q: Are Courtesy Filings allowed in Montana?**

**A:** No - Montana does not allow Courtesy Filings

**Q: What is an Endorsement / Cancellation coversheet for?**

**A:** That form has to be attached to all audit endorsement, general change endorsements and cancellations that are submitted to the Stamping Office. Almost all endorsements are completely different. This makes our job here more efficient so that we are not searching the document for the required information. This allows us to get the copy back to you in a timely manner and prevents errors created by interpretation of the endorsement.