



# MSLAA

MONTANA SURPLUS LINES AGENTS' ASSOCIATION – NEWSLETTER

DECEMBER 2008

## Year End Tax Statements

Hello All,

It is that time of the year again. We are about to close out the 2008 year and start preparing your tax statements. Tax statements will be mailed out only to licensed surplus lines producers before March 1, 2009. *Payments are due to the State of Montana by April 1, 2009 and checks are made payable to: **State of Montana**.* Here are some tips to make yearend go smoothly:

1. IMPORTANT: If you want your 2008 policies to be entered and reported on the 2008 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, 2009). Otherwise you will not see them until the 2009 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 on the 2008 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 2008, 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 X 104.
5. All submissions sent in after December 31, 2008 that have an effective date of 2009 to 2010 will not be processed until after April 1, 2009. **There will be no changes to your 2008 tax statement after close of day March 31, 2009.** You will be required to pay the amount as it is listed on the tax statement after that date.

## **New Forms**

Please be aware that our forms are updated every 6 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 6 months.

## **Electronic Filing**

We are in the process of researching electronic filing. Please give us any feedback that you may have with regards to e-filing and what you would like to see from MSLAA.

Are there any features that you would like to see?

Are there certain states that have e-filing systems that work better for your office?

Currently no date has been set to have e-filing up and running. Feel free to email any comments to [msla@iiaamt.org](mailto:msla@iiaamt.org).

## **FREQUENTLY ASKED QUESTIONS**

**Q: Am I allowed to charge a Filing Fee or Broker Fee on a surplus lines policy in the state of Montana?**

**A:** No, per the Montana Department of Insurance (DOI) interpretation of [\(MCA 33-15-102\)](#) you are not allowed to charge any fees other than the inspection fee for the exact amount of the inspection. If it is determined that broker fees, filing fees or policy fees have been charged it can result in loss of licensure. If you have any questions please call the Department of Insurance at 406-444-2040.

**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 VanderMars at the Montana Department of Insurance (DOI) for more detail 406-444-2040.

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

**A:** The Approved Risk List (ARL) 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 can automatically 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 MSLAA?**

**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.