

**Maryland Insurance Administration**

**FILING REQUIREMENTS FOR  
SURPLUS LINES BROKERS  
IN MARYLAND**

**Background**

Surplus lines brokers are required to maintain records and accounts of all business transacted under their certificates of qualification. In accordance with Title 3, Subtitle 3 of the Insurance Article of the Annotated Code of Maryland, surplus lines brokers are required to make periodic filings with the Administration related to their surplus lines business, and to remit to the Administration the premium receipts taxes they collected on that business. The following explains the forms to be used by surplus lines brokers, and how to file the forms with and remit the premium receipts taxes to the Administration.

**Quarterly Affidavits**

Subtitle 3-307 of the Insurance Article requires each surplus lines broker or the originating insurance producer to file a quarterly affidavit that sets forth the facts referred to in Subtitle 3-306 of the Insurance Article and any other information required by the Insurance Commissioner. These affidavits are to be filed with the Administration on or before the following dates:

- Quarter ended March 31 .....May 15
- Quarter ended June 30 .....August 15
- Quarter ended September 30.....November 15
- Quarter ended December 31 .....February 15

Beginning with the first quarter of 2016, surplus lines brokers can now file their quarterly activity reports on-line. Each active surplus lines broker will receive a unique User ID and password to access the system.

The on-line system will capture the same information that was previously submitted on the Quarterly Combined Affidavit and Quarterly Report. Any broker with activity during the quarter is required to file the Quarterly Combined Affidavit and Quarterly Report timely. Although \$0 activity reports are not required, we encourage all brokers to complete this process as it will facilitate filing the semi-annual tax returns on-line.

## **Premium Receipts Tax Reports**

Section 3-325 of the Insurance Article requires each surplus lines broker to file, on or before March 15 and September 15 of each year, a report on business subject to tax during the preceding half calendar year.

Please note that the total premiums subject to tax on the Premium Receipts Tax Report should agree to the totals on the two Surplus Lines Quarterly Reports covering the preceding half calendar year.

## **Filing of Quarterly Affidavits and Premium Receipts Tax Reports**

In the event that the surplus lines broker is unable to utilize the on-line system, the Quarterly Combined Affidavit and five-part Surplus Lines Quarterly Report, which provides detailed information on the business placed during the quarter, can be completed and submitted by email. Once completed, the semi-annual surplus lines tax reports should be emailed in PDF format, containing the electronic signature of the surplus lines broker, to the Administration at the following address:

[surpluslinefiling.mia@maryland.gov](mailto:surpluslinefiling.mia@maryland.gov)

In order to allow us to readily match these filings to the appropriate surplus lines broker, it is important that these filings be properly named. The quarterly reports should be named using the broker name and the filing period (agency name, then 1Q, 2Q, 3Q or 4Q and year, or for an individual broker, last name, first initial, then 1Q, 2Q, 3Q or 4Q and year). The semi-annual tax returns should reflect the broker name and filing due date.

For example, the September 30, 2016 Quarterly Affidavit and related Surplus Lines Quarterly Report for John Smith, Broker number 12345, due by November 15, 2011, should be named “Smith, J 3Q 2016”. Similarly, the December 31, 2015 Premium Receipts Tax Report for ABC Brokerage, due by March 15, 2016, should be named “ABC Brokerage 031516”.

Once Quarterly Reports have been submitted on-line, any revisions must be sent via email. No changes will be permitted on-line. Please contact the Maryland Insurance Administration for guidance on how to submit changes once the semi-annual tax return has been filed.

If a surplus lines broker is unable to file these forms electronically, the broker should contact Gorina Moody to arrange to make paper filings. See the heading ‘Questions?’ below for her contact information.

## **Premium Receipts Tax Report Payments**

Section 3-325 of the Insurance Article requires each surplus lines broker to pay the total amount of premium receipts tax stated on their filed Premium Receipts Tax Reports. Currently the Administration only accepts payments by check made payable to the Maryland Insurance Administration.

In order to allow us to readily match tax payments to the appropriate surplus lines broker, the surplus lines broker should complete a Surplus Lines Tax Payment Voucher and include the voucher with the check. Surplus Lines Tax Payment Vouchers and checks for the full amount of the premium receipts tax due must be delivered or mailed to the following address on or before the due dates:

Maryland Insurance Administration  
ATTN: Company Licensing  
200 St. Paul Street, Suite 2700  
Baltimore, MD 21202

## **Surplus Lines Reporting Forms**

The forms for the following reports can be found on the Maryland Insurance Administration web site at <http://www.mdinsurance.state.md.us/sa/producer/surplus-lines-brokers.html>:

Quarterly Combined Affidavit by Surplus Lines Broker

Surplus Lines Quarterly Report

Premium Receipts Tax Report

Surplus Lines Tax Payment Voucher

## **Penalties and Interest**

With regard to premium receipts taxes due to the State, surplus lines brokers are subject to the provisions of Title 6, Subtitle 1 of the Insurance Article related to penalties and interest.

## **Questions?**

If you have any questions, please contact Gorina Moody at:

Email: [rena.moody@maryland.gov](mailto:rena.moody@maryland.gov)

Phone: 410-468-2106

Fax: 410-468-2112