



PUBLIC PROTECTION CABINET

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BULLETIN

2020-05

The following Bulletin is to advise the reader of the current position of the Kentucky Department of Insurance ("Department"), on the specified issue.

TO: ALL SURPLUS LINES BROKERS LICENSED BY THE KENTUCKY DEPARTMENT OF INSURANCE

FROM: SHARON P. CLARK, COMMISSIONER

RE: PAYMENT OF QUARTERLY SURPLUS LINES PREMIUM TAXES

DATE: AUGUST 6, 2020

The Kentucky Department of Insurance ("Department") has become aware that confusion exists regarding the timeframe in which quarterly surplus lines taxes are due and the method in which the tax payment is required to be submitted to the Department. The purpose of this bulletin is to clarify the process for remittance of surplus lines taxes to the Department.

Immediately following the end of the calendar quarter, the Department will generate a quarterly report for each surplus lines broker of surplus lines transactions and tax due based on the affidavits filed with the Department. This report will be available to a licensed surplus lines broker in his or her eServices account on the Department's secure website located at: <https://insurance.ky.gov/doeservices/UserRole.aspx>.

All surplus lines brokers licensed by the Department are required to remit a surplus lines tax in accordance with Kentucky Revised Statutes ("KRS") 304.10-180 within thirty (30) calendar days of the end of each calendar quarter. Pursuant to administrative regulation, 806 KAR 10:030, brokers are required to remit payments electronically through the broker's eServices account.

To ensure proper accounting, paper checks for payment of surplus lines taxes will not be accepted and will be returned to the broker for remittance of payment electronically as noted above. Further, if payment is being made for multiple surplus lines brokers, payment must be made separately for each surplus lines broker through his or her eServices account as noted above.

Should a surplus lines broker not be timely in the remittance of payments and receive an order from the Commissioner for payment of the surplus lines tax, a late fee, and a civil penalty, the payment of the surplus

lines tax and late fee must be made electronically through the surplus lines broker's eServices account. However, the payment of the civil penalty must be paid through a paper check submitted to the Department in accordance with the instructions in the order.

Questions regarding this bulletin should be directed to the Surplus Lines Tax Unit, Phone: 502-782-5138, or email: DOI.SurplusLines@ky.gov.

/s/ Sharon P. Clark

Sharon P. Clark, Commissioner
Kentucky Department of Insurance

