



**Department of Insurance
State of Arizona**

Financial Affairs Division – Tax Unit

2910 North 44th Street, Suite 210

Phoenix, AZ 85018-7269

Phone: (602) 364-3997 | Fax: (602) 364-3989

www.id.state.az.us

**ANNUAL PREMIUM TAX AND
FEES REPORT INSTRUCTIONS**

Determine the forms you need from the listing below and download them from our web site at <http://www.id.state.az.us/taxforms.html> or find them posted on the NAIC OPTins web site. To determine your business type, visit our insurer lookup web page at <http://app.az.gov/id/lookup/insurersearch>. If your business type is not listed or you need assistance, call (602) 364-3999 and provide your NAIC Number.

LISTING OF TAX AND FEE REPORT FORMS BY BUSINESS TYPE

BUSINESS TYPE	FORM NAME	DUE DATE
FOREIGN RISK RETENTION GROUP	E-RG	3/01
	E-INSTALLMENT TAX*	15 th of each month, March-August*
FOREIGN TITLE INSURER	E-ANNUALFEES	3/01
	E-TITLE.RETALIATORY	4/15 OR 10/15
FRATERNAL BENEFIT SOCIETY	E-FRATERNAL	3/01
HEALTH CARE SERVICES ORGANIZATION <u>or</u> HOSPITAL, MEDICAL, DENTAL AND OPTOMETRIC SERVICE CORPORATION (“HMDO”)	E-HEALTHORG	3/01
	E-INSTALLMENT TAX *	15 th of each month, March-August*
LIFE / DISABILITY INSURER	E-LD	3/01
	E-INSTALLMENT TAX *	15 th of each month, March-August*
MORTGAGE GUARANTY INSURER	E-PC	3/01
	E-INSTALLMENT TAX *	15 th of each month, March-August*
PREPAID DENTAL PLAN ORGANIZATION	E-HEALTHORG	3/01
	E-INSTALLMENT TAX *	15 th of each month, March-August*
PREPAID LEGAL INSURER <u>or</u> PROPERTY / CASUALTY INSURER	E-PC	3/01
	E-INSTALLMENT TAX *	15 th of each month, March-August*

***E-INSTALLMENT TAX** – If your net annual tax liability is \$2,000 or more, you must pay tax installments due the 15th of each month from March through August equal to 15% of your annual tax liability amount.

- **DO NOT** file installment reports or pay installment tax if your annual tax liability is less than \$2,000.
- **DO NOT** combine installment tax payments with the annual tax/fee payment.
- **DO NOT** send installment reports or tax payments inside your Annual Statement package – all tax and fee payments must be sent to the Tax Unit.

ADDITIONAL SCHEDULES (Only file if you have information to report. Do not file "0" schedules)

- **E-AHP.xls** (for **accountable health plans only**): Complete only if you are approved as an accountable health plan to report small group premiums that are exempt from tax. ARS § 20-2304. Do not file if you had no exempt small group premiums. You can e-mail this file to us, please call for instructions.
- **E-AZ AGENTS.xls** (for **foreign and alien insurers only**): Check with the insurance department in your state of domicile (or, for an alien insurer, the port of entry state) to determine whether the state requires Arizona insurers to pay appointment fees or termination fees for agents doing business in that state. Complete only if your state of domicile requires Arizona companies to pay any of these fees. Complete only the column(s) in the schedule that pertain to the type(s) of fees (appointment or termination) that Arizona insurers must pay for their agents doing business in your state of domicile. You can e-mail this file to us, please call for instructions.
- **E-HMDO.xls** (for **HMDO's only**): Complete only if you are a Hospital, Medical, Dental and Optometric ("HMDO") Service Corporation that received government premiums exempt from tax. ARS § 20-837. You can e-mail this file to us, please call for instructions.

REQUIRED DOCUMENTATION FOR DEDUCTIONS AND CREDITS

Report all premiums (whether taxable or exempt) as gross premiums and show deductions from gross premiums and credits in the applicable sections of your tax report form.

- If claiming a **deduction for FCIC-reinsured crop/hail premiums**, include an affidavit signed by a company officer confirming the amount claimed.
- If claiming a **deduction for Medicare premiums**, include a copy of the letter or other documentation issued by CMS granting your approval to serve as a Medicare Advantage Plan for a period that includes the calendar year of the deduction.
- You may deduct **dividends** paid in cash or left on deposit. Dividends applied to pay renewal premiums may be deducted **ONLY IF** you included them in gross premiums.
- Describe and justify any **other deductions** from gross premiums in an attachment.
- To claim an **Enterprise Zone Credit** or **Military Reuse Zone Credit**, the Arizona Department of Commerce must **FIRST** certify you as eligible by March 1st. Call the Tax Unit at (602) 364-3998 for credit forms.
- Do not claim **Arizona Guaranty Fund offsets**. No assessments have been made in the past five years.
- To claim a **Health Insurance Credit**, report the total amount of Health Insurance Credit Certificates you received from the Arizona Department of Revenue that were effective during the calendar year and deduct the full amount of credit stated in the Certificates. Do not allocate credits among multiple calendar years.
- To claim **School Tuition Organization (STO) Credits**, complete the STO Credit Schedule.

FILING AND PAYMENT INSTRUCTIONS

We no longer accept ACH payments. You can **electronically file tax reports and pay taxes and fees** using the NAIC **OPTins** system:

- Visit the NAIC Web site at https://external-apps.naic.org/optins_static/index.html
- View the Industry Tutorial or download the Industry User Manual found on <https://eapps.naic.org/optins-static/implementation.html>
- Contact the OPTins Help Desk at optinshelp@naic.org or (816) 783-7990

Note: To use OPTins, you must establish an account and electronic funds transfer protocol with the NAIC, which can take up to two weeks.

Avoid penalties, interest charges or license suspension (ARS §§ 20-217, -223, -225) by filing your tax report and payment on time. A filing is timely if ►we receive it by the due date, ►you transmit your filing electronically using OPTins at least two business days prior to the due date or ►a package containing your filing shows evidence that a courier picked it up by the due date ► your package is postmarked by the United States Postal Service by the due date. Postage metering does not qualify.

Include ONE payment for the total premium tax, retaliatory tax and/or annual fees due. **Send separate checks for Installment Tax payments.**

DO NOT MAIL TAX FORMS OR PAYMENTS INSIDE YOUR ANNUAL STATEMENT PACKAGE. Mail tax forms and payments to **Tax Unit, 2910 North 44th Street, Suite 210, Phoenix, AZ 85018-7269.**

If we owe you a **tax refund** based on Installment Taxes paid, we will issue it by May 30th. ARS § 20-224.02