

VERMONT DEPARTMENT OF FINANCIAL REGULATION

INSURANCE DIVISION BULLETIN 169

NONADMITTED INSURANCE REFORM BULLETIN, SUPPLEMENT NO. 1

This bulletin is a supplement to Bulletin 163, Nonadmitted Insurance Reform Bulletin.

The Department has been asked by surplus lines brokers to clarify what surplus lines premium tax should be remitted to the State of Vermont until such time that the Surplus Lines Insurance Multistate Compliance Compact (SLIMPACT) is effective. Accordingly, the following guidance is given.


Where Vermont is the home state of the insured, the tax due on a surplus lines insurance coverage should be calculated as follows:

1. premium applicable to properties, risks or exposure located or to be performed in Vermont must be taxed at three percent; plus,
2. any premium applicable to properties, risks or exposures located or to be performed outside Vermont must be taxed at the rate established based upon the laws of the jurisdiction where the properties, risks or exposures are located.
3. the total tax due to the State of Vermont is the sum of paragraph 1 and 2 above.

See Title 8 V.S.A. § 5035.

Until such time as a clearinghouse has been established to allocate tax between home state and non-home state exposures, all tax due must be remitted to Vermont. See Title 8 V.S.A. § 5051(b), (d).

Dated at Montpelier, VT this 7th day of May.



STEPHEN W. KIMBELL, Commissioner