



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
FINANCIAL AFFAIRS SECTION / ANALYTICAL UNIT 0576
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243
(615) 741-1670**

TO: COUNTY MUTUALS TRANSACTING BUSINESS IN THE STATE OF TENNESSEE

RE: FILING STATEMENT OF PREMIUMS AND FEES FOR TAXATION

Following you will find tax form for filing "Statement of Premiums and Fees for Taxation" for the period January 1 through December 31 due on or before March 1 of each year.

PLEASE NOTE: All such taxes shall not be considered as paid on or before March 1 unless the tax return and payment are actually received in the department on or before March 1, except that a tax return with payment will be considered "timely filed" provided such premium tax return and payment bears a **United States Post Office Cancellation Mark** stamped on the envelope of no later than March 1. A company meter date or postage stamp **will not** be acceptable as competent evidence that the tax return was timely filed if the tax return is received in the department after the due date, unless it is cancelled over by the U.S. Postal Service. It is advised; if your company feels the tax return may be received in the department after March 1, that certified mail with a U.S. Postal Cancellation Stamp on the receipt be obtained, a certificate of mailing, or request that the U.S. Postal authorities cancel over the postage in your presence. Based upon past experience, the U.S. Post Office does not always cancel over company metered mail. **No grace period will be allowed for late filing of the premium tax return.**

Any other materials or forms which do not pertain to premium taxes should be sent under separately. **DO NOT** include the Statement of Premiums and Fees for Taxation in the Annual Statement mailing.

The address for **PREMIUM TAX RETURNS** is as follows:

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
Division of Insurance
P.O. Box 198983
Nashville, TN 37219-8983

HOWEVER, PLEASE NOTE: If the tax return is mailed via overnight courier, the following address should be used:

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
FINANCIAL AFFAIRS SECTION / ANALYTICAL UNIT 0576
ATTENTION: PREMIUM TAX SECTION
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243

Premium Tax Forms Website: <http://www.state.tn.us/commerce/insurance/premiumtax.shtml>

Should you have any questions, please contact the Premium Tax Section at (615) 741-1670.



TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
INSTRUCTIONS FOR FILING
"ANNUAL STATEMENT OF PREMIUMS AND FEES FOR TAXATION"

COUNTY MUTUAL INSURANCE COMPANIES

- 1. WHO MUST FILE – March 1 – CORRECT PROCEDURE FOR FILING** – Any Tennessee County Mutual Insurance Company licensed in Tennessee must file a STATEMENT OF PREMIUMS AND FEES FOR TAXATION based on the gross premiums written for the previous period, January 1 thru December 31. The fact that a company may be inactive or become inactive does not relieve it of the necessity to file the return. Tenn. Code Ann. § 56-4-216 defines what shall be considered as a timely filing of the premium tax return. It states in pertinent part, (c) Notwithstanding any other provisions of the statutes of this state, no grace period for the filing of returns and payments shall be allowed. A premium tax return and payment made to the department shall not be considered as paid on or before March 1 unless: (1) the premium tax return and payment is received in the office of the department on or before the due date; (2) the premium tax return and payment bears a post office cancellation mark stamped by the United States post office on or before the due date, or is mailed by certified or registered mail, or has a certificate of mailing on or before the due date. **A premium tax return and payment received by the department bearing a metered mail stamp and no post office cancellation mark stamped by the United States post office, shall be deemed filed and received on the date such premium tax return arrives at the department;** or (3) in the event a premium tax return and payment is mailed but not received by the Department of Commerce and Insurance, or received and the cancellation mark is illegible or omitted, such return and payment shall be deemed filed and received on the date they were mailed if the sender establishes that the premium tax return and payment were deposited in the United States mail. In order to establish proof of mailing under these circumstances, a record authenticated by the United States post office that the original mailing was sent registered mail, certified mail, or by certificate of mailing, shall be the only proof accepted by the Department of Commerce and Insurance.”
- 2. CORRECT TAX RETURN** – In order to avoid the penalty and interest prescribed by Tenn. Code Ann. § 56-4-216, a tax return must be filled out correctly. All deficiencies shall be subject to the penalty and interest as provided in Tenn. Code Ann. § 56-4-216, which will apply to the tax unpaid from the date the amount was due.
- 3. GROSS PREMIUMS** – For premium tax purposes, the words “gross premiums” or “taxable direct premiums” are defined to mean as follows: “Maximum gross premiums as provided in the policy contracts, new and renewal, including policy or membership fees, whether paid in part or in whole by cash, automatic premium loans, dividends applied in any manner whatsoever, and without deduction or exclusion of dividends in any manner; but excluding premiums returned on cancelled policies, or on account of reduction in rates, or reductions in the premium amount insured. **These premiums must agree with page 6 column 1, “Total Gross Premiums (less return assessments)” of the annual statement.**
- 4. TAX PAYMENTS** – Tenn. Code Ann. § 56-22-114(c) states, “Installments of the annual premium taxes due and payable for each quarter as described herein shall be based on the gross premiums received during that calendar quarter. A final payment of tax due for the preceding calendar year shall be made at the time each such insurance company files its March 1 return. Such final payment shall be measured by the gross premium, as defined in Tenn. Code Ann. § 56-22-103, received by the respective companies during the calendar year immediately preceding.
- 5. PROPER REMITTANCE** – All checks for payment of any premium tax or fees due should be made payable to the TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE; and in order to constitute proper payment, the check must be signed, drafted and dated correctly.
- 5. PENALTY FOR LATE PAYMENT AND DEFICIENT TAXES DUE** – Any company which fails and neglects to file the tax return and make payment promptly and correctly as defined by Tenn. Code Ann. § 56-22-114, shall pay to the state, in addition to the amount of taxes due, a penalty of five percent (5%) for each of the first two months or fractional parts thereof and thereafter at the rate of one-half of one percent (1/2%) per month with a maximum of ten thousand dollars (\$10,000) for the first three days of any delinquency. In addition to the above penalty, all delinquencies shall bear interest at the rate of ten percent (10%) per annum from the date the amount was due until paid. The penalty and interest herein provided for shall apply to any part of the tax unpaid by the due date and no such penalty or interest may be waived. **NO GRACE PERIOD WILL BE ALLOWED FOR COMPANIES FILING LATE PREMIUM TAX RETURNS.**

6. ANNUAL STATEMENT FILING FEE – With few exceptions, insurance companies must remit \$515.00 for the filing of its Company's Annual Statement. This fee is listed on line 17 of the tax return. Please be sure that this fee is not duplicated when the Company's Annual Statement is filed, since the Tax Return and the Annual Statement must be filed separately. There is no fee due for filing the Statement of Premiums and Fees for Taxation (tax return). The Annual Statement filing fee must be remitted even if a credit balance exists or a refund is due. It's a nonrefundable fee.

7. CLAIMING A REDUCTION IN TAX RATE FOR INVESTMENTS IN TENNESSEE –

FORMS FOR FILING – The premium tax return designated as Statement of Premiums and Fees for Taxation for all companies other than life is to be filed. Schedule C of the Statement of Premiums and Fees for Taxation must be completed in both Columns 1 and 2. **Attach itemized spreadsheet** of Tennessee investments **subtotaled** as to lines 1, 2, 3, 4, 5 and 6. Similarly, attach itemized spreadsheet of investments made in the jurisdiction in which the company had the **next highest** percentage of invested assets. Also, note the total dollar amount of **admitted assets** for the taxable period.

DEFINITIONS OF TENNESSEE INVESTMENTS – Tennessee investments are defined as real estate owned in the State of Tennessee; bonds of the State of Tennessee; bonds or interest bearing warrants of any county, city, town, school district, municipality or subdivision thereof; notes or bonds secured by mortgage or deed of trust on property in Tennessee; cash deposits in regular established national or state banks in this state on the basis of average daily balances throughout the preceding taxable period; and any other property or security in Tennessee or issued by Tennessee corporations in which by law such insurance company may invest its funds.

VALUATION OF INVESTED ASSETS – The values of all investments listed on the form and attachments are to be extended at Annual Statement values for such investments.

LIMITATION OF INVESTMENT CREDIT RATE – All eligible companies desiring to qualify for a reduction in the premiums tax rate for investments in Tennessee shall have Tennessee securities equal to at least twenty-five percent (25%) of its total admitted assets (extended at Annual Statement value). The reduction or credit shall not be applicable with respect to the gross premium tax on premiums paid under policies of insurance directly or indirectly reinsured with any affiliate or affiliates of the company which is the direct writer of such policies, unless the affiliates which actually bear the risk of loss under the reinsurance arrangements would, if considered on a consolidated basis, qualify for such reduction or credit were such affiliates the direct writer. The term "affiliate" means any insurance company which controls, is controlled by, or is under common control with the insurer writing the policies and the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a company; control is deemed to exist if any company, directly or indirectly, owns, controls, holds with power to vote, or holds proxies representing more than eighty percent (80%) of the voting securities of any other company.



STATE OF TENNESSEE
 THE DEPARTMENT OF COMMERCE AND INSURANCE
 P.O. BOX 198983
 Nashville, TN 37219-8983
 (615) 741-1670

STATEMENT OF PREMIUMS AND FEES FOR TAXATION
(To Be Filed On Or Before March 1)
COUNTY MUTUALS

FOR DEPARTMENT USE ONLY

CI374 121/972 _____

CI359 880/300 _____

CI364 880/554 _____

Scanned

Amended

Company Name		Contact Person	
Address (No. & Street)		E-Mail Address	Calendar Year
City, State & Zip		Phone Number/ Fax Number	Date Admitted to TN
			NAIC CO.CODE <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
			Domiciliary State

	Premiums	Tax
1. Premium Tax – (2.5% On taxable direct Premiums other than Workmen’s Compensation)	\$	\$
2. Workmen’s Compensation Tax -- (4% on Workmen’s Compensation Premiums)	\$	\$
*3. Premiums, if any, required to balance with Schedule T	\$	
4. Total premiums reported on Schedule T (Tennessee Business)	\$	
5. Total Tax (Sum of Lines 1 and 2) If less than \$150.00, Enter \$150.00 MINIMUM TAX)		\$
6. Fire Marshal Tax -- (as Computed in Schedule B)		\$
7. Workmen’s Compensation Surcharge -- (as Computed in Schedule E)		\$
8. Premium finance or service charges not included in above tax @ 2.5%	\$	\$
9. Total premium, fire marshal, workmen’s compensation surcharge and premium finance or service charge taxes (Sum of line 5 thru 8)		\$
* Do Not list a negative Tax amounts on any of the above lines; if negative, enter zero (0)		
10. Reduction in premium tax for investment in TN Securities, for January 1-December 31 (Schedule C)		\$
11a. Amount Paid TN Insurance Dept. previous Three Quarters: Premium Tax		\$
11b. Amount Paid TN Insurance Dept. previous Three Quarters: Workmen’s Compensation Tax		\$
11c. Amount Paid TN Insurance Dept. previous Three Quarters: Fire Marshal Tax		\$
11d. Amount Paid TN Insurance Dept. previous Three Quarters: Workmen’s Comp Surcharge Tax		\$
12. Credit Due Company for TN Guaranty Association Assessment		\$
* (Important: See Limitations set forth in Tenn. Code Ann. § 56-12-115)		
13. Credit Due Company for the TN Life and Health Insurance Guaranty Association Assessment		\$
* (Important: See Limitations set forth in Tenn. Code Ann. § 56-12-212)		\$
14. Total Deductions (sum of lines 10 thru 13)		\$
15. Total Tax Due (Line 9 Minus Line 14)		\$
16. Retaliatory Tax (As Computed in Schedule D)		\$
17. Annual Statement Filing Fee (Must be Remitted Even if Credit or Refund is Due)		\$ 515.00
18. TOTAL AMOUNT DUE (Sum of lines 15 thru 17)		\$
Please attach a copy of Tennessee business page from the Annual Statement.		

Make remittance payable to: TENNESSEE DEPT. OF COMMERCE & INSURANCE

* Explanation of Non-Taxable Premiums Required to Balance With Schedule T of Annual Statement.

FOR DEPARTMENT USE ONLY

Audited By _____ Date ____ / ____ / _____

**Schedule B – COMPUTATION OF FIRE MARSHAL TAX
(To Be Computed By Property Insurers Only)**

LINE OF BUSINESS	* DIRECT PREMIUMS	PERCENTAGE TO BE APPLIED	FIRE PORTION
Fire Lines	\$	100%	\$
Farm owners Multiple Peril	\$	55%	\$
Homeowners Multiple Peril	\$	55%	\$
Combined coverage including fire, extended coverage, vandalism, malicious, mischief and theft	\$	60%	\$
Fire Portion Subject to Fire Marshal Tax (Sum of the above fire portion lines)			\$
Apply ¾ of 1%			x 0.0075
FIRE MARSHAL TAX			\$
Do not list negative amounts on any of the above lines; if negative, enter zero (0)			
			ENTER THIS AMOUNT ON LINE 6, PAGE 1

* Premiums to agree with respective lines on page 15 (Tennessee business page) from the Annual Statement.

Schedule C– INVESTMENT SCHEDULE

Attach itemized spreadsheet of Tennessee investments and next highest state
(SEE INSTRUCTIONS)

NOTE: Tennessee investments must equal at least 25% of admitted assets before Credit can be allowed.	Column 1	Column 2	
	Tennessee	Next Highest state	List name of state in which company had next highest percentage of admitted assets invested.
1. Real Estate	\$		\$
2. State, county, municipal, or other political subdivision bonds	\$		\$
3. Mortgage Loans	\$		\$
4. Average daily bank balances throughout the current taxable period	\$		\$
5. Stocks	\$		\$
6. Any other property or security in which by law such insurance company may invest its funds	\$		\$
7. Totals	\$		\$
8. Ratio Column 1 to Column 2			
*9. Percentage reduction in Premium Tax			
(TENNESSEE INVESTMENTS MUST EQUAL 25% OF TOTAL ADMITTED ASSETS BEFORE ANY CREDITS ARE ALLOWABLE)			
10. Premium Tax for Full Calendar Year (Sum of Lines 1, 2, and 8 from page 1)			\$
11. Tax Reduction for January 1 thru December 31 (Multiply Line 10 by Line 9)			\$
			ENTER THIS AMOUNT ON LINE 10, PAGE 1

* The percentage reduction in Premium Tax (Line 9)

If Line 8 is less than 70%, this schedule need not be completed in detail	0%
If Line 8 is not less than 70% or more than 80%	25%
If Line 8 is more than 80% but not more than 90%	50%
If Line 8 is more than 90%	75%

Schedule D (COMPUTATION OF RETALIATORY TAX)		Taxes and Fees Payable to Tennessee	Taxes and Fees which a TN Company, with identical Premium or other Income, would have paid in your State
1. Filing Annual Statement		\$515.00	
2. Certificate of Authority Renewal (Company)			
3. Department Licenses and Fees (Itemize) (a) _____ (b) _____			
4. Agents License Fees (Certificates of Authority) Show how figure was calculated on back of form or attach separate sheet.			
5. Agents Examination Fees and Filing Fees (Itemize) (a) _____ (b) _____			
		Premiums	
6a. Tennessee Premium Tax	@ 2.50%		
6b. Tennessee Workmen's Compensation Tax	@ 4.00%		
6c. Tennessee Fire Marshal Tax	@ 0.75%		
6d. Tennessee Workmen's Comp. Surcharge	@ 0.40%		
*6e. State of Incorporation Premium Tax	@ _____ %		
*6f. State of Incorporation Workmen's Comp Tax	@ _____ %		
*6g. State of Incorporation Fire Tax	@ _____ %		
*6h. State of Incorporation _____	@ _____ %		
*6i. State of Incorporation _____	@ _____ %		
7. Additional Premium Tax of _____% Account of Aggregate City, County, or Other Political Subdivisions			
8. Premium Finance, Service Charges, or Policy Fee Not Included in line 6a and 6e \$ _____ @ _____ % (TN/ TAX @ 2.5%)			
9. Any Additional Tax, Fee or Obligation Subject to Retaliatory Law (Itemize) _____			
10. TOTALS (TN Minimum-\$515.00 Annual Statement Filing Fee plus \$150.00 Premium Tax)		\$	\$
11. DEDUCT TAXES AND FEES PAYABLE TO TENNESSEE (From line 10)			(\$)
12. IF POSITIVE (PLUS) REMAINDER, ENTER ON PAGE 1, Line 16, RETALIATORY TAX (Line 10 Minus Line 11)			\$

* Explain any reduction of premiums from state of incorporation basis in line 6e thru 6i.

FOR DEPARTMENT USE ONLY

Audited By _____ Date ____ / ____ / _____

**Schedule E – WORKMEN'S COMPENSATION INSURANCE SURCHARGE
(To Be Completed By All Companies Writing Workmen's Compensation Insurance)**

If Company did not write any Workmen's Compensation premiums during prior calendar quarter, please indicate as "NONE" on Line 1 of this Schedule.

1. Gross Workmen's Compensation Premiums as listed on Line 2, Page 1	\$
*2. Subtract Premiums not subject to Surcharge (see note below)	(\$)
3. Premiums subject to Workmen's Compensation Surcharge	\$
4. Apply four-tenths of one percent (0.4%) rate to amount on line 3	x 0.004
5. WORKMEN'S COMPENSATION SURCHARGE (January 1 thru December 31)	\$
Do not list a negative Surcharge amount on line 5; if negative, enter zero (0)	ENTER THIS AMOUNT ON LINE 7, PAGE 1.

NOTE:

*The Surcharge of four-tenths of one percent (0.4%) on Workmen's Compensation Insurance shall not apply to any premiums written on or for an employer who employs ten (10) or less employees unless such employer is in the business of construction or manufacturing.

Explain in detail the method used in calculating any reduction of Workmen's Compensation Surcharge premiums which are not subject to the Surcharge tax in the space below:

STATEMENT OF PREMIUMS AND FEES FOR TAXATION MUST OBTAIN ORIGINAL SIGNATURE AND NOTARY

STATE OF _____ COUNTY OF _____

I, _____, do hereby make oath that I am _____
(Officer's Name) (Official Title)

of the _____
(Company Name)

and that the foregoing Statement of Premiums and Fees for Taxation is true to the best of my knowledge, information and belief.

Signature of Officer

Notary Public

(SEAL)

Subscribed and Sworn before me _____
Date

My commission expires _____
Date

TENNESSEE STATUTES APPLICABLE TO PREMIUM TAXES

LINE 1	Tax on Premiums _____	Tenn. Code Ann. § 56-4-204
		Tenn. Code Ann. § 56-4-205
LINE 2	Tax on Workmen's Compensation Premiums _____	Tenn. Code Ann. § 56-4-206
LINE 5	Minimum Tax Stipulated _____	Tenn. Code Ann. § 56-4-205
LINE 6	Additional Tax on Fire Insurance _____	Tenn. Code Ann. § 56-4-208
LINE 7	Surcharge on Workmen's Comp. Premiums _____	Tenn. Code Ann. § 56-4-206
LINE 8	Tax on Finance and Service Charge Premiums _____	A.G. Opinion 5-9-83
LINE 10	Reduction in Tax for Investment in State _____	Tenn. Code Ann. § 56-4-210
LINE 12	Tennessee Guaranty Association Credit (Maximum Deduction Not to Exceed 25% of net Premium Taxes (Sum of Lines 1, 2 and 8 minus Line 10, Page 1). No Deductions Are Allowed For Assessments Made On Account of Insolvencies Occurring Prior to April 16, 1975 _____	Tenn. Code Ann. § 56-12-115
LINE 13	Tennessee Life and Health Insurance Guaranty Association Credit _____	Tenn. Code Ann. § 56-12-212
LINE 16	Reciprocity of Treatment (Retaliatory Tax) _____	Tenn. Code Ann. § 56-4-218
LINE 17	Fees Collected by Commissioner _____	Tenn. Code Ann. § 56-4-101
	FAILURE TO FILE TAX RETURN Within Time Prescribed _____	Tenn. Code Ann. § 56-4-216
	FAILURE TO FILE ANNUAL STATEMENT Within Time Prescribed _____	Tenn. Code Ann. § 56-1-502