

SHORT TITLE: Insurance; providing an exception from premium tax;
emergency.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 476

By: Robinson

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 1991, Section 1115, which relates to the premium tax on surplus lines insurance; providing an exception from taxation for premiums paid by political subdivisions and certain authorities; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 1991, Section 1115, is amended to read as follows:

Section 1115. A. On or before the end of each month following each calendar quarter, each surplus line broker shall remit to the State Treasurer through the Insurance Commissioner a tax on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by the broker for the period covered by the report, except premiums or fees paid by any county, city, town, or school district funds or by their duly constituted authorities performing a public service organized pursuant to Sections 1001 through 1008 of Title 74 of the Oklahoma Statutes, or Sections 176 through 180.4 of Title 60 of the Oklahoma Statutes. Such tax shall be at the rate of six percent (6%) of the gross premiums less premiums returned on account of cancellation or reduction of premium, and shall exclude

gross premiums and returned premiums upon business exempted from surplus line provisions pursuant to Section 1119 of this title.

B. Except as provided in subsection C of this section, for the purpose of determining the surplus line tax, the total premium charged for surplus line insurance placed in a single transaction with one underwriter or group of underwriters, whether in one or more policies, shall be allocated to this state in such proportion as the total premium on the insured properties or operations in this state, computed on the exposure in this state on the basis of any single standard rating method in use in all states or countries where such insurance applies, bears to the total premium so computed in all such states or countries.

C. The surplus line tax on insurance on motor transit operations conducted between this and other states shall be paid on the total premium charged on all surplus line insurance less:

1. The portion of the premium determined as provided in subsection B of this section charged for operations in other states taxing such premium of an insured maintaining its headquarters office in this state; or

2. The premium for operations outside of this state of an insured maintaining its headquarters office outside of this state and branch office in this state.

D. 1. Every person, corporation, association, or partnership procuring or accepting any policy of insurance from an unauthorized insurer, upon, covering, or relating to a subject of insurance resident or having a situs in the State of Oklahoma, or any such policy of insurance which is to be performed in whole or part in the State of Oklahoma, except such policies as are lawfully obtained through a licensed surplus line broker in this state, shall report, within thirty (30) days next succeeding the issuance of such policy, the purchase of such policy or policies of insurance to the Insurance Commissioner, on forms prescribed by him, and at the same

time shall remit to the Insurance Commissioner a tax in the amount of six percent (6%) of the annual premium agreed to be paid, or paid, for such insurance. Such policies of insurance, providing for the payment of retrospective premiums, or policies on which the premiums are not determinable at the time of issuance, shall be reported to the Insurance Commissioner, by the insured, within thirty (30) days next succeeding the date such policies are issued and the tax payable on such policies shall be remitted, by the insured, to the Insurance Commissioner within thirty (30) days next succeeding the date such premiums can be determined. The tax on renewal premiums shall be paid by the insured in accordance with this section, in like manner as provided for payment of the original premium tax, within thirty (30) days next succeeding the date such premiums can be determined.

2. The taxes imposed by the provisions of this section on surplus lines shall be paid into the State Treasury and deposited to the General Revenue Fund of this state.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

44-1-0530

JY