

**TO BE FILED IN DUPLICATE AND THE TAX PAID TO THE DEPARTMENT OF FINANCIAL SERVICES ONLY BY THE
EXCESS LINE BROKER WHO HAS OBTAINED AN EXEMPTION FROM THE ELECTRONIC FILING BY THE
SUPERINTENDENT PURSUANT TO THE 14TH AMENDMENT TO SECTION 27.23 OF REGULATION 41
ON OR BEFORE MARCH 15TH**

**PREMIUM TAX STATEMENT
EXCESS LINE BROKER, SECTION 2118, NEW YORK INSURANCE LAW
Statement of business under license # _____ during the year 2015 by**

Business Name			
Name of Sublicensee if Corporate license		Contact Person and Email Address	
Street and Number			
City	State	Zip Code	Telephone Number

For use in computing the tax due under Section 2118 of the New York State Insurance Law. The following is a statement of the gross premiums, deposit premiums, additional premiums or assessments, less returns thereon, charged during the calendar year which ended December 31, 2015 for business effected under the license issued to said licensee for the year 2015.

For the policies with an effective date prior to July 21, 2010, Section 9102(b) of the Insurance Law provides that the tax on an excess line insurance policy covering property or risks located or resident both in and out of this State shall be computed on that portion of the policy premium that is attributable to property or risks located or resident in this State. The method of allocation to be used in making such determination shall be in accordance with Regulation 41 and the Appendix thereto established by the Superintendent of Financial Services. For the policies with an effective date on or after July 21, 2010, section 2118 (d) of the Insurance Law provides that the tax on an excess line insurance policy covering property or risks located or resident both in and out of this State shall be computed on the entire policy premium if the insured's home state is New York.

Reports attached should reflect only those premiums for which a tax is due under the New York State Insurance Law.

I. ALL LINES OF INSURANCE (including Fire portion) (Check One)

- ELANY REPORT #1 ATTACHED - - BUSINESS WRITTEN SUMMARIZED BY PERIL CODE
- NO BUSINESS TO REPORT
- NO BUSINESS REPORTED TO ELANY BUT BUSINESS WAS WRITTEN AND WILL BE REPORTED IN PART IV (a)

Section 2118 requires that a 3% tax on fire insurance premiums shall be distributed to the fire department of the City, Village, Fire District or Fire Protection District within which insured property is located. Such premiums include the fire portion of any coverages. In order to determine the fire portion of individual policies, the Excess Line Association of New York has established percentages to be applied to premiums reported for each ELANY peril code.

II. FIRE PREMIUMS (Check One)

- ELANY REPORT #2 ATTACHED - - BUSINESS WRITTEN SUMMARIZED BY FIRE CODE
- NO BUSINESS TO REPORT

III. a. BUSINESS WRITTEN SUMMARIZED BY INSURANCE COMPANY (Check One)

- ELANY REPORT #3 ATTACHED - - BUSINESS WRITTEN SUMMARIZED BY INSURANCE COMPANY
- NO BUSINESS TO REPORT

b. BUSINESS WRITTEN SUMMARIZED BY INSURANCE COMPANY – FEDERAL PURCHASING GROUPS (Check One)

- ELANY REPORT #3 ATTACHED - - BUSINESS WRITTEN SUMMARIZED BY INSURANCE COMPANY
- NO BUSINESS TO REPORT

V. COMPUTATION OF TAX

If fire coverages have been reported, TWO (2) SEPARATE CHECKS must be submitted, one representing 3% of the fire premium tax due reported on line 11 and the second for the balance of tax amount due reported on line 12.

- 1. Total Taxable Premiums (Report #1 as reported in Total Cols. A & B. **DO NOT ADJUST**) \$ _____
- 2. Grand Total of Premiums Not Reported to ELANY. (Part IV (a) above). \$ _____
- 3. Adjustment to Report #1 (Part IV (b) above) \$ _____
- 4. Total Premium Amount Reversed in 2015 (Part IV (c) above) \$ _____
- 5. Total Adjustments (Lines 2+3-4) \$ _____
- 6. Adjusted Total Taxable Premiums (Lines 1+5) \$ _____
- 7. Total Tax Liability Amount (Line 6 X 0.036) \$ _____
- 8. Credits – Attach credit letter issued by Department \$ _____
- 9. Net Tax Liability Amount (Lines 7-8) \$ _____**
- 10. Total Fire Premiums (Report #2. DO NOT ADJUST) \$ _____

11. Fire Premium Tax Due (Line 10 X 0.03) \$ _____

12. General Premium Tax Due (Lines 9-11) \$ _____

***Submit separate checks made payable to Superintendent of Financial Services for each of those amounts shown on line 11 and line 12. If line 10 above is a negative amount, enter “zero” (0) on line 11 and submit one check for the amount on line 12 only. If line 9 is a negative amount, enter “zero” (0) on line 11 (you may be entitled to a credit equal to the amount on line 9). Submit a written request for a credit to be issued to you for next year's taxes.**

I hereby certify that this report is, to the best of my knowledge and belief, a true, correct and complete report.

(Signature of Licensee or Sublicensee)

Print Name

Date

State of _____

County of _____

_____ being duly sworn, deposes and says that he/she is

_____ of the _____

(Title)

(Name of Licensee)

and that the foregoing report was prepared by him/her, or under his/her direction, for the purpose of enabling the Superintendent of Financial Services to determine the amount of taxes due under Section 2118 of the Insurance Law of said State; that he/she knows the contents thereof and that each of the statements therein contained regarding premium receipts and deductions is in all respects true, to the best of his/her knowledge, information and belief.

Subscribed and sworn to before me
this ___ day of _____ 20____

(Notary Public) (Seal or Stamp)

**INSTRUCTIONS FOR FILING THE PREMIUM TAX STATEMENT UNDER SECTION 2118 OF THE
NEW YORK STATE INSURANCE LAW**

Enclosed are the forms to use in reporting the amount of business attributable to New York State placed under your excess line broker's license during the preceding calendar year. This form is only to be used by the excess line broker who has been granted by the Superintendent an exemption from the electronic filing. **Please send an email to jin.wang@dfs.ny.gov or han.wang@dfs.ny.gov by February 15, 2016 to request the exemption. You are required to state the reason for the exemption in your email.** The excess line broker must file the premium tax statement electronically for 2013 and thereafter pursuant to Section 2118 (d).

To assist you in preparing this form, the Excess Line Association of New York (ELANY) will be mailing you three (3) reports or four (4) if there is purchasing group business in triplicate on or about March 3, 2016. The first report (ELANY Report #1) will summarize your 2015 business written by Peril Code, the second report (ELANY Report #2) will summarize your business written by Fire Code, the third report (ELANY Report #3A) will be your non purchasing group business written summarized by Insurance Company, and the fourth report (ELANY Report #3B) will be your purchasing group business written summarized by Insurance Company. The reports will contain all business, including additional and return premium endorsements processed by ELANY up to February 14, 2016 pertaining to 2015 policies and prior. The premium tax statement, with attached reports, duly signed by the licensee or sublicensee and notarized must be submitted IN DUPLICATE on or before **March 15th** to:

**New York State Department of Financial Services
Office of Financial Management
One Commerce Plaza
Albany, New York 12257**

The Insurance law contains no provisions for granting an extension of time for filing the tax statement.

Instructions:

1. Where there is NO BUSINESS TO REPORT, a Premium Tax Statement is required to be filed stating that fact hereon.
2. All premiums must be reported on a WRITTEN BASIS and not on a cash received basis. If a policy is written for a term which exceeds one year, the premium for the FULL term, i.e., two, three or more years, must be reported in the year the policy is written.
3. The following ELANY Reports must be attached to this filing:
 - a. ELANY Report #1 will reflect Business Written Summarized by Peril Code. Column B reflects insurance placed pursuant to the Federal Liability Risk Retention Act of 1986 and Regulation No. 134. In addition, ELANY Report #3B must be attached with respect to such business. If you did not report business to ELANY, but business was written and will be reported on Part IV (a), check the third box. **Check only one box in Part I.**
 - b. ELANY Report #2, Business Written Summarized by Fire Code FIRE COVERAGE ONLY premium taxes are required by law to be distributed by the Superintendent of Financial Services to the Fire Department of the City, Village, Fire District or Fire Protection District within which the insured property is located.

On any policy of insurance placed, the premium representing the fire portion must be separated from any other coverage. This applies to FIRE or AUTOMOBILE FIRE COVERAGE or to an ALL RISK policy in which fire has not been specifically excluded by name. In order to determine the fire portion of individual policies, ELANY has established percentages to be applied to premiums reported for each ELANY Peril Code. The amount of premium attributable to FIRE COVERAGE is included in and must be attached with this filing. **Check only one box in Part II.**

Although reporting of fire premiums written within New York City by individual borough is no longer required, the ELANY report continues to report by individual borough.

- c. ELANY Report #3A shows gross premiums for each insurer with which you placed business during the year. ELANY Report #1 will reflect Business Written Summarized by Peril Code. Column B, reflects insurance placed pursuant to the Federal Liability Risk Retention Act of 1986 and Regulation No. 134. **Check only one box in Part III.**

4. Part IV has three parts: (a) Premiums Not Reported to ELANY; (b) Adjustments to Report #1; (c) Reversal of Premium Amount Reported in Prior Years' Part IV (a) & (b).
- a. Part IV (a) Premiums Not Reported to ELANY. This part must be completed if there are initial, return or additional premiums that were not reflected in the ELANY reports attached. This would include cancellations, adjustments made on deposit or minimum premiums as determined at the end of the policy period, premiums received as the result of endorsements to existing policies, installment premiums and/or any premium that varies with the premium originally reported on the affidavit. All columns must be completed. Enter the grand total amount which is the sum of initial premiums plus additional premiums minus return premiums. **DO NOT ENTER RETURN PREMIUMS AS NEGATIVE AMOUNTS.**
 - b. Part IV (b) Adjustments to ELANY Report #1. The purpose of this section is to adjust for duplicate or incorrect items on the 2015 ELANY Report #1. Do not include adjustments for items reported in 2014 Premium Tax Statement Parts IV (a) and IV (b). Those items should be included in Part IV (c). Please see attachment #1 at the end of these instructions for an illustration of this part IV (b).
 - c. Part IV (c) REVERSAL OF PREMIUM AMOUNT REPORTED IN PRIOR YEARS' PART IV (A) & (B). In order to prevent OVER/UNDER payment of your premium tax, it is necessary to reverse the total premiums reported on your prior years' premium tax statements Part IV (a) & (b). However, in order to qualify for this reversal, these premium items should be reported and are included in this year 2015's ELANY Report #1. Therefore, if these premium items were not reported to ELANY, you can not reverse them. Note: If the premium total is negative, enter it as a negative amount; if the premium total is positive, enter it as a positive amount. Please see attachment #2 at the end of these instructions for an illustration of this part IV (c). Do not include current year's Part IV (a) and (b) here.

5. Computation of Tax in Part V of the tax statement.

Line 1 is to be reported exactly from ELANY Report #1 Total Cols. A + B. Any adjustments must be reported in Part IV (b).

Line 2 amount is from Part IV (a) Grand Total amount.

Line 3 amount is from Part IV (b) Grand Total amount.

Line 4 amount is the total amount from Part IV (c).

Line 5 is the amount of Line 2 plus line 3 minus 4.

Line 6 is total amount of Line 1 plus line 5.

Line 7 is the multiplication of Line 6 and 0.036.

Line 8 is the credit issued by the New York State Department of Financial Services. Attach the letter from the Department.

Line 9 is the amount of line 7 minus line 8.*

Line 10 is to be reported exactly from ELANY Report #2. Do not make any adjustments. **

Line 11 is the multiplication of line 10 by 0.03.

Line 12 is the amount of line 9 minus line 11.

Two (2) separate checks made payable to Superintendent of Financial Services must be submitted; one representing 3% of the fire premium reported (the amount shown on line 11) and the second for the balance of the tax amount due (the amount shown on line 12). **If line 10 above is a negative amount, enter "zero" (0) on line 11 and submit one check for the amount on line 12 only.

* If Line 9 is a negative amount, enter "zero" (0) on line 11 (you may be entitled to a credit equal to the amount on line 9). Submit a written request for a credit to be issued to you for next year's taxes.

Additional tax forms may be obtained on our website, www.dfs.ny.gov.

If you have any questions pertaining to the ELANY reports, contact the ELANY offices at (646)292-5500.

If you have any questions pertaining to completing the Premium Tax Statement, contact Han Wang at (212) 480-5461 han.wang@dfs.ny.gov, Jin Wang at (212)480-5463 jin.wang@dfs.ny.gov, or Richard Yuen at (212)480-5457 Richard.yuen@dfs.ny.gov.

Attachment #1: ILLUSTRATION FOR PART IV (b)

1. To adjust for **duplicate** items, you must back out this item by reversing it in Part IV (b). Example, XYZ Excess line Brokerage received ELANY’s 2015 Report #1 showing \$100,000 of written premium. Upon reviewing the ELANY report, affidavit # 1001 for Kay Consulting with \$10,000 premium is listed twice. You must report this item with a negative \$10,000 to back it out. See illustration below for the adjustment for Kay Consulting on line 1.
2. To adjust for **incorrect** items, you must back it out and then include the correct data. Example, Report #1 shows affidavit #1002, Key Corp with the incorrect company code and incorrect additional premiums of \$50,000. The correct company code was 19160 and the correct additional premium was \$75,000. You must back out this incorrect item by reporting it with a negative additional premium of \$50,000. See line 2 below. Now you must report the correct data. See line 3 below.

INITIAL, ADDITIONAL AND RETURN PREMIUMS

Year Affidavit Submitted	Effective Date	Name of Insured	Company Code	PG *	ELANY Peril Code	Affidavit #	Initial Premiums	Additional Premiums	Return Premiums
2016	5/1/2015	Kay Consulting	19437		5200	1001	-10,000		
2016	6/1/2015	Key Corp.	19437		5001	1002		-50,000	
2016	6/1/2015	Key Corp	19160		5001	1002		75,000	
Totals							-10,000	25,000	

Grand Total: (Total Initial Premiums Plus Total Additional Premiums Less Total Return Premiums) \$15,000

The total Part IV (b) adjustment is \$15,000 and this amount should be entered on Line 3, Part V. Therefore, when you calculate your Adjusted Total Taxable Premium, you will add this adjustment of \$15,000 to the total written premium of \$100,000 of ELANY Report #1.

These adjustments **must be reported** to ELANY in 2016 for correction as soon as possible and will then be included in your 2016 Report #1 which you will include in Part IV (c) in the 2016 premium tax statement.

Attachment #2: ILLUSTRATION FOR PART IV (c)

Please see the following example for the illustration of Part IV (c):

1. On your 2014 premium tax statement, you reported the following premium items on Part IV (a):

BROKER LICENSE NUMBER <u>123456</u>						YEAR <u>2014</u>			
<p>IV. (a) PREMIUMS NOT REPORTED TO ELANY. List all initial, return and additional premiums paid to or charged an insured by peril code order during the preceding calendar year and not reported to the Excess Line Association of New York or not reflected on the ELANY reports. This list should also include all additional and return premiums pertaining to policies with an inception date prior to 1/1/2014. All figures carried below must be included in the COMPUTATION OF TAX. DO NOT ENTER RETURN PREMIUMS AS NEGATIVE AMOUNT.</p> <p><u>Complete all columns. All entries must be legible.</u></p> <p style="text-align: center;">INITIAL, ADDITIONAL AND RETURN PREMIUMS</p>									
Year Affidavit Submitted	Effective Date	Name of Insured	Company Code	PG *	ELANY Peril Code	Affidavit #	Initial Premiums	Additional Premiums	Return Premiums
2015	11/30/14	Lucky Corp	19437		5202	2014-11	1,500		
2015	12/01/14	Happy Inc.	19437		5001	2014-13		1,000	
2015	11/15/14	WonTwo Inc.	19160		5001	2014-16			500
Totals							1,500	1,000	500
Grand Total: (Total Initial Premiums Plus Total Additional Premiums Less Total Return Premiums) \$ <u>2,000</u>									

2. Report #1 and detail report of SLRP 75 for **2015** from ELANY indicated the following premium items:

02/23/16	EXCESS LINE ASSOCIATION OF NEW YORK	PAGE 1
ELANY REPORT #1	BUSINESS WRITTEN SUMMARIZED BY PERIL CODE FOR 2015 0123456- XYZ BROKERAGE XXXXXXXXXXXXXXXX	(SLRP72)
	Federal Purchasing Groups	
ELANY Peril Code Description	Code	Col. A
FIRE (INCLUDING EXCESS)	10	20,150
GENERAL LIABILITY (BI & PD)	50	12,180
		----- 32,330
		----- 0

02/23/16	EXCESS LINE ASSOCIATION OF NEW YORK	PAGE 1
	NEW YORK EXCESS LINE RISKS REPORT FOR 2015	(SLRP75)
MEMBER: 123456 - XYZ BROKERAGE		
BATH #- INSURED NAME	COVERAGE	AFFIDAVIT #
ITEM# LOCATION / EFF. DATE- TERM	INS COMPANY / POLICY #	DATE RECD
263346-001 LUCKY CORP.	FIRE (Including excess)	2014-11
100 BROADWAY, NEW YORK, NY	LEXINGTON INSURANCE COMPA	05/24/15
TYPE: R 11/30/14 1 YRS.	1654345	
263343-002 HAPPY INC.	GENERAL LIABILITY(BI & PD)	2014-13
12 BEAVER ST, NEW YORK, NY	LEXINGTON INSURANCE COMPA	05/24/15
TYPE: E 12/01/14	1755466	
Xxxxxx	xxxxxxx	xxxxx
Xxxxxx	xxxxxxx	xxxxx

