

§2531. Taxation of nonadmitted insurance coverage

1. Generally. All gross direct insurance premiums and annuity considerations paid to insurers that do not have certificates of authority to do business in this State issued by the Superintendent of Insurance pursuant to Title 24-A are subject to taxation in accordance with this section if this State is the insured's home state, as defined in the federal Nonadmitted and Reinsurance Reform Act of 2010, Public Law 111-203, Section 527. This section does not apply to reinsurance premiums paid by an authorized domestic insurer.

[PL 2011, c. 548, §19 (RPR); PL 2011, c. 548, §36 (AFF).]

2. Rate and incidence of tax. Except as otherwise provided in section 2532, the rate of taxation on premiums subject to tax under this section is the greater of 3% and the highest rate of taxation that applies to nonadmitted insurance premiums in the state, district or possession of the United States or province of Canada in which the insurer is incorporated. For purposes of this section, an insurance company incorporated in another country is deemed to be incorporated in the state, district or possession of the United States where it has elected to make its deposit and establish its principal agency in the United States. For all coverage placed in accordance with Title 24-A, chapter 19, the tax must be paid by the surplus lines producer. For all other nonadmitted insurance, the tax must be paid by the insured.

[PL 2021, c. 630, Pt. A, §2 (AMD).]

3. Returns. Except as otherwise provided in accordance with a multistate agreement entered into pursuant to section 2532, every producer holding surplus lines authority in this State shall file a return and pay the tax due in accordance with section 2521-A and every insured subject to tax in accordance with this section shall file a return and pay the tax due subject to the same requirements as provided in section 2521-A. An insurance agency may elect to collect and pay the tax on surplus lines premiums on behalf of all of its employees who are surplus lines producers and file a single return.

[PL 2011, c. 548, §19 (RPR); PL 2011, c. 548, §36 (AFF).]

SECTION HISTORY

PL 2011, c. 331, §14 (NEW). PL 2011, c. 331, §§16, 17 (AFF). PL 2011, c. 380, Pt. Q, §5 (NEW). PL 2011, c. 380, Pt. Q, §7 (AFF). PL 2011, c. 453, §4 (NEW). PL 2011, c. 548, §19 (RPR). PL 2011, c. 548, §36 (AFF). PL 2021, c. 630, Pt. A, §2 (AMD).

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