



**THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

388 MARKET STREET, 11TH FLOOR  
SAN FRANCISCO, CA 94111

THEODORE M. PIERCE  
EXECUTIVE DIRECTOR

JOY LAUGHERY  
DIRECTOR, STAMPING OFFICE

TELEPHONE  
(415) 434-4900  
(800) 334-0491  
FAX  
(415) 434-3716  
[www.slacal.org](http://www.slacal.org)

**JANUARY 31, 2006**

**BULLETIN # 1088**

**RE: ANNUAL STATEMENT AND TAX RETURN**

This is a reminder that the Surplus Line Broker and Special Lines Surplus Line Broker Annual Statement and Tax Return are due to the California Department of Insurance by March 1, 2006. A copy should also be mailed to the Surplus Line Association of California. The form, instructions, tax calendar and the Surplus Line Broker's Monthly Tax Payment Voucher are available on-line at [www.slacal.org](http://www.slacal.org) or from the California Department of Insurance at [www.insurance.ca.gov](http://www.insurance.ca.gov). Every Surplus Line Broker and Special Lines Surplus Line Broker licensed in California must make an annual state tax filing whether or not business was transacted during the previous year. The tax on surplus lines is 3 percent of the California taxable nonadmitted premiums transacted from January 1 to December 31 of the previous year.

Enclosed is a Notice from the California Department of Insurance.

A handwritten signature in black ink that reads 'Theodore M. Pierce'.

Theodore M. Pierce,  
Executive Director

**DEPARTMENT OF INSURANCE**

ADMINISTRATION AND LICENSING SERVICES BRANCH  
300 CAPITOL MALL, SUITE 1600  
SACRAMENTO, CA 95814  
[www.insurance.ca.gov](http://www.insurance.ca.gov)



January 12, 2006

**NOTICE**

**TO: All Admitted Insurers, Surplus Line Brokers, and Other Interested Parties**

**SUBJECT: 2005 Tax Return Forms**

This bulletin is to inform you that all 2005 tax return forms and instructions are now available on the California Department of Insurance (CDI) Web site located at <http://www.insurance.ca.gov>. The annual tax filing for Surplus Line Brokers is due on March 1, 2006 and the annual tax filing for Insurers is due on April 1, 2006 except for the ocean marine insurance tax filing, which is due on June 15, 2006. On your tax return, be sure to provide the contact person's e-mail address. This allows us to send updated tax information to your company. If you have any questions, please contact us at (916) 492-3288.

For tax forms and instructions, refer to [www.insurance.ca.gov](http://www.insurance.ca.gov). Once you log on to this Web site, click on "Industry" then click on "Insurers", choose "Tax Forms, Instructions, and Information" under the section of "Applications, Forms and Filings" to access the appropriate tax return forms and related payment vouchers.

For the "California Tax on Insurers" Guide, refer to [www.boetaxes.ca.gov](http://www.boetaxes.ca.gov).

For surplus line broker tax information, refer to [www.insurance.ca.gov](http://www.insurance.ca.gov).

**Reminder:**

Pursuant to California Revenue and Taxation Code (CRTC) Section 12302 and California Insurance Code (CIC) Section 1774, each insurer or surplus line broker is required to file a tax return of all business transacted during the preceding calendar year. If you had no business transacted in 2005 or you started your business in 2005, you are still required to file the tax return by the appropriate required due date.

Pursuant to CRTC Section 12251 and CIC Section 1775.1, each insurer or surplus line broker whose annual tax for the preceding calendar year was five thousand dollars (\$5,000) or more shall make quarterly prepayments or monthly installment payments for the current calendar year. Specifically, if your 2005 tax liability was \$5,000 or more, you are required to make the quarterly prepayments or monthly installment payments for 2006. Please refer to the CDI Web site at [www.insurance.ca.gov](http://www.insurance.ca.gov) for the tax due dates.

Also, pursuant to CRTC Section 12602 and CIC Sections 12976.5 and 1775.8, each insurer or surplus line broker whose annual taxes exceed twenty thousand dollars (\$20,000) is required to make payment by Electronic Funds Transfer (EFT). Specifically, if your 2005 tax liability exceeded \$20,000.00, you are required to make all 2006 quarterly or monthly tax payments by EFT. To avoid delay in processing your EFT payments, it is critical to ensure that you provide the correct TIN, tax type code, and tax due date in your EFT transaction. If you need assistance with establishing an EFT account or experience any problems with making your EFT payment or meeting the timelines requirement, please contact us at (916) 492-3288 **prior** to the payment due date to avoid any potential penalty assessment.

**DEPUTY INSURANCE COMMISSIONER  
ADMINISTRATION & LICENSING SERVICES BRANCH**