



Texas Department of Insurance
Financial, Company Licensing & Registration, Mail Code 305-2C
 333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
 512-322-3507 telephone • 512-322-3550 fax • www.tdi.state.tx.us

STATE OF TEXAS STATEMENT OF RETALIATORY FEES AND REQUIREMENTS

**CURRENT CAPITAL AND SURPLUS REQUIREMENTS
 BY TYPE OF COMPANY
 WITH TEXAS INSURANCE CODE REFERENCE AND AMOUNTS**

<u>TYPE OF COMPANY</u>	<u>CAPITAL</u>	<u>SURPLUS</u>	<u>REFERENCE BY ARTICLE</u>
Stock Life	\$ 700,000	\$ 700,000	Art. 3.02
Mutual Life		1,400,000	Art. 11.19 & 3.02
Stock Fire	1,000,000	1,000,000	Art. 2.02
Stock Casualty	1,000,000	1,000,000	Art. 2.02
Stock Fire/Casualty	1,000,000	1,000,000	Art. 2.02
Mutual Fire		2,000,000	Art. 15.04
Mutual Casualty		2,000,000	Art. 15.04
Mutual Fire/Casualty		2,000,000	Art. 15.04
Reciprocal		2,000,000	Art. 19.05
Title	1,000,000	1,000,000	Art. 9.05
		<u>GUARANTY FUND</u>	
Lloyds		2,000,000	Art. 18.05

REFERENCE: Texas Insurance Code

FEES:

Companies writing all types of insurance:

\$ 100.00	Reservation of Name
\$ 25.00	Extension of Name Reservation
\$2,000.00	Admission Fee

FEES ARE BASED ON RETALIATORY PROVISIONS OF ARTICLE 21.46 OF THE TEXAS INSURANCE CODE AND CHAPTER 28, TEXAS ADMINISTRATIVE CODE § 7.1301.

THERE IS A SEPARATE FEE SCHEDULE FOR NON-PROFIT PRE-PAID LEGAL SERVICES CORPORATIONS, MULTIPLE EMPLOYER WELFARE ARRANGEMENTS (MEWA'S) AND CONTINUING CARE RETIREMENT COMMUNITIES (CCRC'S).

COPIES:

Copies (plain paper copies or copies from microfilm).....	10¢ per page
Certification of documents.....	\$11.00 per document (in addition to cost of copies)

There is no fee for copy orders under \$10.00.

TEXAS FEES

Fees for all insurance companies licensed in Texas:

Reservation of Name.....	\$ 100.00
Renewal of Reservation of Name	\$ 25.00
Original Incorporation Application.....	\$ 1,500.00
Foreign Admission to Texas	\$ 2,000.00
Restated Articles of Incorporation	\$ 250.00
Amendment to Articles of Incorporation (no hearing)	\$ 125.00
Amendment to Articles of Incorporation (hearing involved)	\$ 250.00
Amended Certificate of Authority	\$ 50.00
Change in Attorney-in-Fact	\$ 500.00
Appointment of Agent for Service of Process	\$ 25.00
Acceptance of Service on Commissioner of Insurance.....	\$ 50.00
Annual Statement Filing Fee	\$ 250.00
Affixing official seal and certifying to the seal.....	\$ 11.00
Articles of Dissolution	\$ 25.00
Total Reinsurance Agreement.....	\$ 750.00
Partial Reinsurance Agreement.....	\$ 150.00
Merger Agreement	\$ 750.00
Acceptance of Security Deposit.....	\$ 100.00
Substitution/Amendment of Security Deposit	\$ 50.00
New Joint Control Agreement	\$ 50.00
Amendment to Joint Control Agreement	\$ 20.00
Notice of Intent to Relocate Books/Records Pursuant to Article 1.28, Texas Insurance Code	\$ 150.00
Statement Pursuant to Article 21.49-1, § 5, Texas Insurance Code, for the first \$9,900.00 of the Purchase Price or Consideration	\$ 500.00
Statement Pursuant to Article 21.49-1, § 5, Texas Insurance Code, if the Purchase Price or Consideration Exceeds \$9,900.00, an additional \$250 for each \$10,000.00 exceeding \$9,900.00, but not more than \$5,000 total fee under this subdivision and the preceding subdivision.....	\$ varies
Holding Company Registration Statement Pursuant to Article 21.49-1 § 3	\$ 150.00
Holding Company Review Pursuant to Articles 21.49-1 § 4.....	\$ 250.00
Valuation policies of life insurance, for each \$1,000,000 of insurance or fraction thereof	\$ 10.00

Fees for companies authorized to do business pursuant to the Texas Health Maintenance Organization Act:

Original Application for Certificate of Authority	\$ 7,500.00
Annual Statement Filing Fee	\$ 250.00
Evidence of Coverage Requiring Approval	\$ 100.00
Evidence of Coverage Required by Rule but Not Requiring Approval.....	\$ 50.00

Fee for companies authorized to do business pursuant to Article 23.08, Texas Insurance Code:

Application for Certificate of Authority	\$ 1,500.00
Annual Statement Filing Fee	\$ 250.00
Issuance of Certificate of Authority and Amendment to Same	\$ 50.00

TEXAS FEES (continued)

Fees for Third Party Administrators:

Original Application for Certificate of Authority	\$ 500.00
On-Site Visit Examination Fee as specified in Article 21.07-6, §8, Texas Insurance Code	\$ 250.00
Annual Report Filing Fee.....	\$ 100.00

Fees for Multiple Employer Welfare Arrangements (MEWAs) pursuant to Article 3.95, Texas Insurance Code and Chapter 28, Texas Administrative Code. §§ 7.1901 through 7.1915:

Initial Certificate of Authority	\$ 5,000.00
Final Certificate of Authority.....	\$ 1,500.00
Acceptance of Service on Commissioner of Insurance.....	\$ 50.00
Annual Financial Reporting Filing Fee.....	\$ 500.00

Fees for Continuing Care Retirement Communities (CCRCs) pursuant to Chapter 28, Texas Administrative Code, Subchapters A, §§ 33.1 - 33.10, B, §§ 33.101 - 33.107, C, §§ 33.201 - 33.206, D, §§ 33.301 - 33.308, E, §§ 33.401 - 33.407, and F, §§ 33.501 - 33.511 and Texas Health and Safety Code, Chapter 246:

Application for Certificate of Authority	\$ 10,000.00
Annual Disclosure Statement.....	\$ 500.00

Plus \$2.00 Per Living Unit

DEPOSITS AND BONDS

NOTE: All deposits are required to be in cash or negotiable securities. Please refer to Texas Insurance Code arts. 2.08, 2.10 and 3.23 for a description of acceptable securities.

LIFE COMPANIES

All foreign life companies are required to put up a **\$100,000** deposit or produce evidence of such monies on deposit in its state of domicile for the benefit of all policyholders (Article 3.23 and 3.26).

There is a **\$100.00** filing fee for this deposit; a **\$50.00** filing fee when securities are substituted after original deposit is made.

LLOYDS

A Lloyds shall maintain a guaranty fund and surplus over and above all of its liabilities equal to the minimum capital and surplus (\$2,000,000) required of a stock insurance company transacting the same kinds of business (Art. 18.05). A deposit of assets to be held are under joint control of the Attorney-in-Fact and Commissioner of Insurance (Art. 18.10).

There is a filing fee of **\$50.00** to file the Joint Control Agreement; **\$50.00** to file an amendment to the original Joint Control Agreement.

RECIPROCAL

Reciprocal with an individual Attorney-in-Fact must put up a **\$25,000** fidelity bond, payable to either the subscribers at the exchange or to the Commissioner of Insurance; a corporation Attorney-in-Fact requires a **\$50,000** bond (Article 19.02).

Reciprocal writing fidelity and surety bond insurance must make an additional **\$50,000** deposit or produce evidence of such monies on deposit in its state of domicile for the benefit of all policyholders (Article 19.06).

There is a **\$100.00** filing fee for this deposit; a **\$50.00** filing fee when securities are substituted after original deposit is made.

CASUALTY COMPANIES

All casualty companies are required to put up a **\$50,000** deposit or produce evidence of such monies on deposit in its state of domicile for the benefit of all policyholders (Article 8.05).

There is a **\$100.00** filing fee for this deposit; a **\$50.00** filing fee when securities are substituted after original deposit is made.

TITLE COMPANIES

All title companies must have on deposit an amount equal to one-fourth (1/4) of its authorized capital and surplus with a **maximum of \$100,000**, or produce evidence of an aggregate amount of \$100,000 being held on deposit for the benefit of all policyholders in any of the states where it holds a Certificate of Authority (Article 9.12).

PREMIUM TAX REQUIREMENTS

Premium taxes and annual statement filing fees in Texas are administered and collected by the Texas Comptroller of Public Accounts. Checks should be made payable to STATE COMPTROLLER and should be mailed with the appropriate tax report forms to the Texas Comptroller of Public Accounts. All inquiries regarding premium taxes should be directed to the Texas Comptroller of Public Accounts at 800-252-1387. Authority is in accordance with Articles 1.04D, 4.10, 4.11, 9.59, and 20A.33, Insurance Code.

Retaliatory provisions are authorized under Article 21.46, Insurance Code. Special purpose assessments, such as guaranty association assessments, high risk health pool assessments, joint underwriting association (JUA) assessments, windstorm association assessments, the volunteer fire department assistance fund assessment, or other similar assessments are not to be included for retaliatory tax purposes.

PREMIUM TAXES – LIFE, ACCIDENT AND HEALTH INSURANCE:

Every insurer receiving premiums from the business of life insurance, accident insurance, health insurance, life and accident insurance, life and health insurance, health and accident insurance, or life, health and accident insurance, including variable life insurance, credit life insurance, and credit accident and health insurance, for profit or otherwise, or for mutual benefit or protection, in this state, shall file an annual tax return on forms prescribed by the Texas Comptroller of Public Accounts, and pay to the Texas Comptroller of Public Accounts, an annual tax upon its gross premiums annually, on or before March 1, in accordance with Article 4.11, Insurance Code.

SEMI-ANNUAL PREPAYMENTS - Semi-annual prepayments are due and payable as follows:

1st prepayment.....March 1st
2nd prepayment.....August 1st

GROSS PREMIUMS - Generally, taxes are imposed on gross premiums or the total considerations paid for insurance risks on persons located in the State of Texas.

TAX RATES:

LIFE - For the first \$450,000 of taxable life premiums, the tax rate is .875%. For taxable life premiums over \$450,000, the tax rate is 1.75%.

ACCIDENT AND HEALTH - For taxable accident and health premiums, the tax rate is 1.75%.

TAX CREDITS AUTHORIZED ARE AS FOLLOWS:

1. Life, Accident, Health and Hospital Service Insurance Guaranty Association Act (Article 21.28-D, §13, Insurance Code).
2. Valuation fees paid in the prior tax year (Article 4.11, Insurance Code).
3. Examination fees including overhead assessments paid during each tax year to or for the use of the State of Texas (Articles 1.16 and 1.28, Insurance Code).

PREMIUM TAXES - HEALTH MAINTENANCE ORGANIZATIONS

Each health maintenance organization licensed to conduct business in Texas shall pay an annual tax, on or before March 1, for the gross amounts of revenues collected for the issuance of health maintenance certificates or contracts in accordance with Articles 4.11 and 20A.33, Insurance Code.

SEMI-ANNUAL PREPAYMENTS - Semi-annual prepayments are due and payable as follows:

1st prepayment March 1st
2nd prepayment August 1st

GROSS PREMIUMS – Gross amount of revenues collected for the issuance of health maintenance certificates or contracts.

TAX RATE - For the first \$450,000 of taxable revenues, the tax rate is .875%. For taxable revenues over \$450,000, the tax rate is 1.75%.

TAX CREDIT ALLOWED for examination fees including overhead assessments paid during each tax year to or for the use of the State of Texas (Articles 1.16, 1.28, and 20A.32, Insurance Code).

PREMIUM TAXES – PROPERTY AND CASUALTY INSURANCE

All insurers other than life, health and accident, fraternal benefit associations, non-profit group hospital service plans, health maintenance organizations, and title insurers file and pay gross premium taxes in accordance with Article 4.10, Insurance Code, annually, on or before March 1.

SEMI-ANNUAL PREPAYMENTS - Semi-annual prepayments are due and payable as follows:

1st prepayment March 1st
2nd prepayment August 1st

GROSS PREMIUMS - The total amount of premiums actually written during the taxable year on each and every kind of insurance or risk written upon property or risks located in the state of Texas, except premiums actually written by other licensed companies for reinsurance, less return premiums and dividends paid policyholders without deduction for premiums paid for reinsurance.

TAX RATE - PROPERTY AND CASUALTY annual tax rate is 1.6%.

TAX CREDITS AUTHORIZED ARE AS FOLLOWS:

- 1. Texas Property and Casualty Insurance Guaranty Act (Article 21.28-C § 21, Insurance Code).
- 2. Texas Catastrophe Insurance Pool Act (Article 21.49, § 19, Insurance Code).
- 3. Medical Liability Insurance Underwriting Association Act (Article 21.49-3, Insurance Code).
- 4. Examination fees including overhead assessments paid in each taxable year to or for the use of the State of Texas (Articles 1.16 and 1.28, Insurance Code).

PREMIUM TAXES – TITLE INSURANCE

Each title insurance company receiving premiums from the business of title insurance shall pay to the comptroller a tax on those premiums, annually, on or before March 1 in accordance with Article 9.59, Insurance Code.

SEMI-ANNUAL PREPAYMENTS - Semi-annual prepayments are due and payable as follows:

1st prepayment March 1st
2nd prepayment August 1st

TAX RATE - TITLE INSURANCE annual tax rate is 1.35%.

GROSS PREMIUMS - The total amount of premiums received for the taxable year on title insurance written on property located in this state except premiums received from other licensed title insurance companies for reinsurance, less return premiums paid policyholders, with no deduction for premiums paid for reinsurance. The premium tax is levied on all amounts defined to be premium, whether paid to the title insurance company or retained by the title insurance agent. The current division of premiums as set by the Texas Department of Insurance is 15 percent to title insurance companies and 85 percent to title agents. The agent’s portion of the tax is included in the premiums remitted to the title insurance company. The company, in turn, files and remits the total tax due the state, combining its own tax payment with that paid by agents. In situations where an agent is not involved in the placement of a title policy, the insurance company is the sole taxpayer and liable for 100 percent of the taxes due.

TAX CREDITS AUTHORIZED ARE AS FOLLOWS:

- 1. Texas Title Insurance Guaranty Act (Article 9.48, § 15, Insurance Code).
- 2. Examination fees including overhead assessments paid in each taxable year to or for the use of the State of Texas (Articles 1.16 and 1.28, Insurance Code).

Because of the division of premium between insurance companies and agents, the retaliatory tax computation is also affected. Retaliatory taxes are “equalizer” taxes that are due from foreign insurers when their state of domicile would assess an overall higher tax burden on a Texas domestic insurance company than Texas assesses on such foreign insurer. For title insurance, the retaliatory tax computation should include only the insurer’s portion of the premium tax and maintenance fee due the state.

PENALTY and INTEREST apply to all taxes as noted below:

PENALTY – If a report is filed or the tax due is paid after the due date, penalty of 5% is assessed for 1 to 30 days late; 10% for more than 30 days late.

INTEREST – Taxes that remain unpaid 61 days after the due date are subject to interest. Interest is calculated at the rate published in Publication 98-304, available online at <http://www.window.state.tx.us>, or by calling toll free 1-877-44RATE4.

**FRATERNAL BENEFIT SOCIETIES,
LOCAL MUTUAL AID ASSOCIATIONS and BURIAL ASSOCIATIONS
are EXEMPT from gross premium taxes.**

ADDITIONAL TAXES

The Comptroller of Public Account collects maintenance taxes annually, on or before March 1, on premiums for policies with effective dates ending the preceding December 31. The maintenance taxes are used to fund the operations of the Texas Department of Insurance and the Texas Workers' Compensation Commission. The rates are adjusted annually by these agencies based on their estimated funding needs for the year. The maintenance taxes are in addition to all other taxes now imposed or that may be subsequently imposed on an insurance company.

1. Fire and Allied Lines Maintenance Tax (Article 5.49, Insurance Code) is applied to gross direct-written premiums for inland marine and all lines of coverage specified in Article 5.49. The maximum tax rate is not to exceed one and one fourth percent.
2. Workers' Compensation Insurance Maintenance Tax (Article 5.68, Insurance Code) is applied to gross direct-written workers' compensation premiums. The maximum tax rate is not to exceed three-fifths of one percent.
3. Workers' Compensation Commission Maintenance Tax (Texas Labor Code, Sections 403.002 and 403.003) is applied to gross direct-written workers' compensation premiums. The maximum tax rate is not to exceed two percent of the correctly reported gross workers' compensation premium.
4. Research and Oversight Council on Workers' Compensation Maintenance Tax (Texas Labor Code, Section 404.003) is applied to gross direct-written workers' compensation premiums. The maximum tax rate is not to exceed one-tenth of one percent of the correctly reported gross workers' compensation premium.
5. Motor Vehicle Maintenance Tax (Article 5.12, Insurance Code) is applied to gross direct-written automobile premiums, less return premiums and dividends paid to policyholders. The maximum tax rate is not to exceed one-fifth of one percent.
6. Casualty and Fidelity Insurance Maintenance Tax (Article 5.24, Insurance Code) is applied to gross direct-written premiums for policies of casualty insurance, fidelity, surety and guaranty bonds or on risks or operations in Texas. The maximum tax rate is not to exceed two-fifths of one percent.
7. Aircraft Maintenance Tax (Article 5.91, Insurance Code) is applied to gross aircraft premiums, less return premiums and dividends paid to policyholders. The maximum tax rate is not to exceed two-fifths of one percent. There has been no rate adopted for maintenance tax on aircraft premiums.
8. Title Maintenance Tax (Article 9.46, Insurance Code) is applied to gross title premiums. The maximum tax rate is not to exceed one percent.
9. Non-Profit Prepaid Legal Services Corporations (Article 23.08A, Insurance Code) is due on total revenues received by all corporations issuing prepaid legal service contracts in Texas. The maximum tax rate is not to exceed one percent.
10. Maintenance Tax (Article 4.17, Insurance Code) is applied to gross premiums of life, health, and accident insurance coverages and on gross considerations for annuity and endowment contracts collected by all authorized insurers writing life, health and accident insurance, annuity, or endowment contracts in this State. The maximum tax rate is not to exceed .04%.
11. Maintenance Tax for Health Maintenance Organizations (Article 20A.33, Insurance Code) is applied on the gross revenues for the issuance of health maintenance certificates or contracts collected by all authorized insurers issuing such coverages in the State. The maximum rate may not exceed \$2 per enrollee. The rate of assessment may differ between basic health care plans, limited health care service plans, and single health care service plans.

ADDITIONAL TAXES (continued)

12. Assessment for the Office of Public Insurance Counsel (Article 1.35B, Insurance Code) –The assessment is collected annually, in addition with the collection of other taxes, to defray the cost of creating, administering and operating the Office of Public Insurance Counsel ("OPIC"). The following guidelines are followed in determining the OPIC assessments due:
1. **Property and Casualty** - An assessment of \$.057 is charged for each policy in force in Texas at year-end.
 2. **Health Maintenance Organizations and Life, Accident and/or Health** - An assessment of \$.057 on each new individual policy, and each new certificate of coverage under a group policy, of life, accident, and health, or through a health maintenance organization, written for delivery and placed in force with the initial premium or revenue paid in full in Texas during each calendar year. Group policies with separate certificates for life, accident, health and health maintenance organization coverage are subject to the assessment for each NEW certificate issued. Annuities are not subject to the OPIC assessment.
 3. **Title** - An assessment of \$.057 for each policy written for delivery in Texas during the calendar year and for which the full basic premium is charged.
13. Maintenance Tax for Third Party Administrators (Article 21.07-6, Insurance Code) – Third party administrators, including licensed insurers doing the business of a third party administrator, are subject to a maintenance tax on the gross amount of administrative or service fees as defined in 28 TAC § 7.1601. Such fees shall not include proceeds received from the administration of qualified plans under the Employee Retirement Income Security Act (ERISA) of 1974.