

FORM SLT-681 Instructions

Surplus Lines Insurance and Direct Insurance Placement

General Information

Please print in BLUE or BLACK ink only.

These instructions apply to:

- all *surplus lines brokers* licensed in Vermont pursuant to 8 V.S.A. § 5031 (“*Surplus Lines Insurance*”), page 2, and
- all insureds who procure or continue or renew insurance from any non-admitted insurer pursuant to 8 V.S.A. § 5036 (“*Direct Insurance Placement*”), page 5.

What is the Surplus Lines Insurance Tax?

Gross premiums charged, less any return premiums, for surplus lines coverages placed with non-admitted insurers are subject to a premium receipts tax of three percent (3%), which shall be collected from the insured by the surplus lines broker at the time of delivery of policy or other confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance. The surplus lines broker shall return to the policyholder the tax on any portion of the premium unearned at termination of insurance.

What is the Direct Insurance Placement Tax?

Gross premiums charged, less any return premiums, are subject to a premium receipts tax of three percent (3%), payable by any insured who procures, continues, or renews insurance from a non-admitted insurer subject to 8 V.S.A. § 5036. If any such insurance also covers a subject located or to be performed outside of Vermont, a pro rata portion of the entire premium must be allocated to Vermont.

SURPLUS LINES INSURANCE

Who files, reports and pays the Surplus Lines Insurance Tax?

Each surplus lines broker licensed in Vermont must file **Form SLT-681, Surplus Lines Insurance and Direct Insurance Placement Tax Return and Report** covering each calendar quarter if business has been written during the quarter, together with **Schedule SLT-682, VT Surplus Lines Insurance Report**, and **Schedule SLT-683, VT Surplus Lines Insurance Summary**. Specific instructions for each form are below.

Zero returns are not required.

What are the Due Dates?

<u>Quarter Ending</u>	<u>Due</u>
March 31	April 30
June 30.....	July 31
September 30.....	October 31
December 31	January 31

How do I file, report, and pay the Surplus Lines Insurance Tax?

Send the original Form SLT-681, together with accompanying schedules **and payment**, to:

Vermont Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Send a copy of the Form SLT-681, together with accompanying schedules, to:

Vermont Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

Form SLT-681
(for Surplus Lines Insurance)
Surplus Lines Insurance and Direct Insurance Placement
Tax Return and Report

If business was written during the quarter, complete the detailed information requested, including your Vermont surplus lines broker license number.

- Select **Surplus Lines Broker** as the type of insurance, and select the period reported.
- complete **Schedule SLT-682, VT Surplus Lines Insurance Report**, and **Schedule SLT-683, VT Surplus Lines Insurance Summary** (see detailed instructions for these schedules below), attaching additional pages of each as needed to report all business written during the quarter; then
- enter the sum of all pages of Schedule-682, Total Net Taxable Premiums, on SLT-681, Line 1; then
- compute the tax due on SLT-681, Line 3; and finally
- complete the signature/date blocks, and submit the form, schedules, and tax due as directed on the return.

SCHEDULE SLT-682 Instructions
VT Surplus Lines Insurance Report

Schedule required only if business was written during the quarter

Complete the detailed information requested for each policy. The *Line of Insurance* number shall be selected from the following list. Enter the number corresponding to the line of business.

1. Fire, extended coverage and allied lines
2. SMP and other package policies
3. Inland marine
4. Auto – private passenger
5. Auto – commercial liability
6. Auto – commercial physical damage
7. General liability (all general liability policies except those listed under 8-13 below)
8. Products liability
9. Liquor Law liability
10. Umbrella and Excess liability
11. Medical Malpractice (include physicians, surgeons, dentists, nurses, veterinarians, druggists, and hospital policies)
12. Public Officials and Directors & Officers policies
13. Other Professional Liability and Error and Omissions policies (include attorneys, actuaries, real estate, insurance, architect and engineers, consultants, etc.)
14. Workers' Compensation policies (include only miscellaneous type Worker's Compensation policies. Vermont has an Assigned Risk Plan.)
15. Fidelity
16. Surety
17. Other – miscellaneous not covered above (include A&H Excess, Burglary, Crime, DIC, Glass, Earthquake, etc.)

If a single policy involves more than one line of business, list the policy information once for each line of business and apportion the premium according to the respective line of business.

SCHEDULE SLT-683 Instructions
VT Surplus Lines Insurance Summary

Schedule required only if business was written during the quarter

Complete the detailed information requested, giving the amount of premiums and policy counts for each insurer, for each line of insurance as listed. Total each row and each column.

DIRECT INSURANCE PLACEMENT

Who files, reports and pays the Direct Insurance Placement Tax?

Each insured who procures, continues, or renews insurance from a non-admitted insurer subject to 8 V.S.A. § 5036 must file **Form SLT-681, Surplus Lines Insurance and Direct Insurance Placement Tax Return and Report** covering each calendar year. *Zero reports are not required.* File, report, and pay the Direct Insurance Placement Tax only if such insurance was procured, continued, or renewed. The “Entity” for Direct Insurance Placement is the insured.

What is the Due Date?

Form SLT-681, Surplus Lines Insurance and Direct Insurance Placement Tax Return and Report, and payment are due on **March 1** of the year following the year in which the insurance is procured, continued, or renewed.

How do I file, report, and pay the Direct Insurance Placement Tax?

Send the original Form SLT-681 and schedule SLT-684 **and payment** to:

Vermont Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Send a copy of the Form SLT-681 and schedule SLT-684 to:

Vermont Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

Form SLT-681 (for Direct Insurance Placement) **Surplus Lines Insurance and Direct Insurance Placement Tax Return and Report**

Header Information

Complete the detailed information requested. Leave the “Broker License Number” blank.

Select Direct Insurance Placement as the type of insurance. Then,

- complete **Schedule SLT-684, VT Direct Placement Insurance Report** (see instructions for this schedule below); then
- enter the premium amount on SLT-681, Line 1; then
- compute the tax due on SLT-681, Line 3; and finally
- complete the signature/date blocks, and submit the form, schedule, and tax due as directed on the return.

SCHEDULE SLT-684 Instructions **VT Direct Placement Insurance Report**

Complete the detailed information requested for each insurance policy. If the policy covers more than one type of risk or if more than one location is covered, list all of the risk types and locations covered under that policy on a single schedule.

If an insured has more than one policy of direct insurance placed, complete a separate Schedule SLT-684 for each policy. Enter the total of all Schedule SLT-684s on SLT-681, Line 1.

Form SLT-681, together with Schedule SLT-684, are due on or before March 1 following the end of the reporting year.