



PREMIUM TAX

Premium Tax Base

Foreign Insurers

Section 76.62 Other than Life

Gross premiums received for direct insurance less return premiums and cancellations and returns from savings on all insurance other than reinsurance.

Section 76.65 Life Insurers

Gross premiums minus dividends paid in cash or applied to premiums. (Payment or application of amounts apportioned must be made before the end of the succeeding calendar year.) Excludes annuities from premium tax base.

Tax Rate

Section 76.60

.5% foreign marine insurers; however, see reciprocity provision under s. 76.67

2.375% foreign fire insurers; however, see reciprocity provision under s. 76.67

Section 601.93

2% fire insurance dues payable by domestic insurers; included in foreign tax rate above.

Section 76.63

2% foreign casualty insurers; however, see reciprocity provision under s. 76.67

2% domestic financial guaranty insurers

Section 76.65

2% foreign life insurers and some domestics (see next page)

Section 618.43

3% risk retention groups

Other Taxes and Assessments

Section 76.65 Domestic Life Insurers' Income Tax

If net insurance in force is less than \$750 million, annual license fee of 3.5% of gross income from all sources except interest required to maintain reserves, and except premiums collected on life insurance and annuities, but in no case in excess of the amount of premium tax a foreign insurer would pay on the same income. If net insurance in force is greater than \$750 million, pay same tax as foreign life insurer.

Section 102.75 Worker's Compensation Department Assessment

Each licensed compensation insurer may be assessed for the expenses of the worker's compensation commission.

Section 102.59 Second Injury Fund

An employer or his compensation insurer shall pay \$20,000 into the fund whenever an employe loses (or loses the function of) an arm, hand, foot, leg, or eye.

Section 102.49 Children's Death Benefit Fund

payments are made into the fund by compensation insurers in various circumstances detailed in the statute.

Other Taxes and Assessments (Cont'd.)

Section 149.13 Health Insurance Risk Sharing Plan

Insurers, HMOs, and health service plans may be assessed in proportion to their health insurance business.

Section 646.51 Insurance Security Fund (Guaranty Fund)

May assess member insurers on a pro rata or nonpro rata basis for administrative expenses. Nonpro rata assessments may not exceed \$200 per year. May also assess maximum of 2% average premiums for last 3 years for kinds of insurance in account with deficiency.

Exclusions and Deductions

Section 76.61 Town Mutual Insurers

Town mutuals are exempt from premium tax.

Sections 614.80, 76.65 Fraternal Life Insurers

Fraternal life insurers are exempt from premium tax.

Credits

Section 76.69 Personal Property Taxes

Domestic life insurer may deduct 50% of general property taxes paid on personal property used in the operation of its business, up to 25% of the premium tax.

Section 646.51 Insurance Security Fund (Guaranty Fund)

If premium rates for a class of business are fixed so that assessments cannot be recouped through rate increases, may offset assessments at rate of 20% per year for each of 5 years following the year in which the assessment was paid. The credit is also reciprocal. According to the department, the credit allowed foreign insurers is the same credit as allowed by their state of domicile.

Payment Due Dates

Sections 76.64, 76.65, 601.93

Return due March 1. Estimated payments due April 15, June 15, September 15, December 15. Each payment shall equal 25% of the lesser of the following: total tax paid prior year or 80% of actual tax due for current year.

Penalties

Sections 76.645, 601.935

Insurers failing to make quarterly payments of required amount subject to interest at rate of 1.5% for each month amount remains unpaid. For negligent failure to file or pay, add \$500 or 5% of amount due per month, up to 25%, whichever is larger.

Extensions

No specific provision for extensions.

Retaliatory Law

Section 601.55 Fees and Other Obligations

If another state requires Wisconsin domestics to make a deposit, pay a fee, or pay a tax not included in the Wisconsin computation, which is greater than Wisconsin charges nondomestic insurers, Wisconsin may retaliate on an item-by-item basis.

Section 76.66 Taxes

If another state requires Wisconsin domestics to pay taxes greater, in the aggregate, than Wisconsin charges similar insurers, retaliation occurs. Taxes defined as general purpose revenue taxes and fire insurance dues less security fund assessment credits.

Section 76.67 Reciprocity

Wisconsin will not charge foreign insurers more than that insurer's state charges Wisconsin subject to an aggregate minimum of 2% of fire dues, 2% on life insurance, and .375% on fire and marine insurance.

DEPOSITS

Section 611.15

Domestics initial stock subscription or mutual applications shall be deposited in a depository approved by the Commissioner with withdrawals made only with the Commissioner's approval

FEES

Fees are subject to retaliation on a fee-by-fee basis, payable on the premium tax return. Retaliation on fees for an application for certificate of authority occurs at the time of application.

Insurers' Fees

Section 601.31

Certificate of Authority

Filing initial documents	\$400
Issuing certificate of authority	400
Continuation of certificate of authority	100

Annual Statement Filing

100

Foreign or Alien Companies

Filing amendment to charter or articles of incorporation	25
Filing an application for amended certificate of authority	25
Filing articles of merger	25
Service of process on Commissioner	10

Domestic Companies

Filing articles of amendment to charter of articles of incorporation	25
Filing articles of merger	100



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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GENERAL REQUIREMENTS FOR ADMITTANCE OF NONDOMESTIC INSURERS TO OPERATE IN WISCONSIN

Minimum Capital and Surplus Requirements

The following requirements are applicable to domestic and nondomestic property and casualty insurers, domestic and nondomestic life and disability insurers, domestic and nondomestic fraternal insurers, and nondomestic reciprocals.

Sections 611.19, 614.19, and 618.21, Wis. Stat, are the applicable statutes.

CAPITAL AND SURPLUS REQUIREMENTS

Wisconsin Statutes provide the following:

“611.19 Initial capital and surplus requirements.

(1) Minimum capital and permanent surplus. The commissioner may by rule establish the minimum capital for a stock corporation or the minimum permanent surplus for a nonassessable mutual organized under this chapter. In the absence of such a rule, the minimum capital or minimum permanent surplus shall be \$2,000,000 or such greater amount as the commissioner specifies by order.

(2) Initial expendable surplus. A corporation organized under this chapter shall have an initial expendable surplus, after payment of all organizational expenses, of at least 50% of the minimum capital or minimum permanent surplus specified under sub. (1), or such other percentage as the commissioner specifies by order.”

AUTHORIZATION OF NONDOMESTIC INSURERS

Sections 618.11 through and including 618.37, Wis. Stat., are applicable to nondomestic property and casualty insurers, nondomestic life and disability insurers, nondomestic fraternal insurers, and nondomestic reciprocal insurers.