

HAWAII SURPLUS LINES BROKERS - TAX FILING QUESTIONS

Form 104 packet - Hawaii Surplus Lines Broker's Annual Statement ("Tax Return") ---
Due March 15 of each year.

KEY:

SLB --)Resident Surplus Lines Broker
NRSLB --)Nonresident Surplus Lines Broker

A) ALL Licensed Hawaii Surplus Lines Brokers (**Business Entities and Individuals**) who had a SLB's or NRSLB's license at least one day during the calendar year are required to file a **separate** Surplus Lines Tax Return. Each Licensed Hawaii Surplus Lines Broker holds a different license number. **DUE ON MARCH 15 of each year.**

B) **Only Original signatures are accepted on Form 104.**

1) **Individuals with a SLB or NRSLB License:**

Only the Individual SLB or Individual NRSLB holding a VALID SLB's or NRSLB's license in the calendar year can sign the Annual Surplus Lines Tax Return. NO ONE ELSE!

If another person without a Hawaii Surplus Lines Broker's license procures any contract with an unauthorized insurer, the person would be in violation of the following Hawaii Revised Statute {HRS §431:8-310 (a) - (Surplus Lines Broker license required; qualifications for license.)}

"No person shall procure any contract of surplus lines insurance with an unauthorized insurer unless the person is licensed as a surplus lines broker."

2) **Business Entities with a SLB or NRSLB License:**

Only those individuals (Designated Representatives) listed on the Business Entity's license shall transact and can sign the Business Entity's Annual Surplus Lines Tax Return. NO ONE ELSE! If not, it would be in violation of the following Hawaii Revised Statute [HRS §431:8-310 (a) & (c) {Surplus Lines Broker license required; qualifications for license}].

C) **If you had a zero tax, do you still need to file an Annual Surplus Lines Tax Return?**

Yes, you are required to file an Annual Surplus Lines Tax Return pursuant to HRS §431:8-313 (Surplus Lines Broker's Annual Statement) and §431:8-315 (Tax on Surplus Lines.).

D) **Is there any penalty for late filing?**

Yes, the Annual Surplus Lines Tax Return and Surplus Lines Tax are due on or before March 15 of each year. If the Surplus Lines Tax Return or Surplus Lines Tax are submitted after March 15, there will be a penalty of \$ 25.00 per day pursuant to HRS §431:8-316 ("Penalty for failure to file statement or remit tax".)

Please send only the Annual Surplus Lines Tax Return (Form 104 packet) and the Surplus Lines Tax payment. We will need to review and later bill you for any penalty at a later date.

E) **Designated Representative**

Effective September 2004, a memorandum was sent out informing the Business Entities (SLB and NRSLB) that they would need to appoint a Licensed Individual SLB or Licensed Individual NRSLB as the Designated Representative {Natural person – breathing individual}. **That Natural person would need to be licensed as a Hawaii Surplus Lines Broker under a separate license.** Therefore, he or she is required to file a **separate Annual Surplus Lines Tax Return since they have their own license.** The

Business Entity Surplus Lines Broker would need to file a separate Tax Return under their own license.

F) Form 104 packet

- a) Form 104 – Annual Statement of Surplus Lines Insurance Transacted during the Yr 20__
- b) Form 104 Attachment – Account of Surplus Lines Business Transacted during the Year 20__
- c) Form 104 Attachment – Recapitulation By Insurance Companies

For your convenience, these forms are available on our website in PDF:

www.hawaii.gov/dcca/areas/ins

Click on "Other insurance"

Click on "Surplus Lines Tax"

Click on "Surplus Lines Brokers"

Please do not email the Form 104 attachments to us as we do not have the capacity to hold all this data. You may enclose a CD only, containing your attachment data, when you send in the completed Form 104 to our office. Nonfillable, printable PDF attachments are available on our website.