



## STATE OF ARIZONA RETALIATORY STATEMENT

*Fee amounts are adjusted annually on July 1<sup>st</sup>  
The Fee amounts listed below are effective 7/1/09 through 6/30/10*

### FEES APPLICABLE TO UCAA EXPANSION APPLICANTS

FEE DESCRIPTION	AMOUNT	PAYABLE TO	NOTES & EXCEPTIONS
Certificate of Authority Issuance	\$195	Arizona Department of Insurance	Fraternal Benefit Society = \$30, HMDO = \$75, Mechanical Reimbursement Reinsurer = \$300
Annual Statement Filing	\$300	Arizona Department of Insurance	
Charter Document Filing	\$75	Arizona Department of Insurance	
Filing Certified Copy of Articles of Incorporation and all amendments	\$175	Arizona Corporation Commission	Not applicable to Reciprocal Insurance Exchanges.

IN ADDITION TO THE FEES ABOVE, all applicants must remit a \$100 deposit payable to the Arizona Insurance Examiners' Revolving Fund, which is refunded upon accepted surrender of the Arizona Certificate of Authority. A SEPARATE CHECK for this deposit is required.

### FEES APPLICABLE TO UCAA AMENDMENT APPLICANTS

FEE DESCRIPTION	AMOUNT	PAYABLE TO	NOTES & EXCEPTIONS
Certificate of Authority Issuance	\$195	Arizona Department of Insurance	Fraternal Benefit Society = \$30, HMDO = \$75, Mechanical Reimbursement Reinsurer = \$300
Charter Document Filing - Amended	\$30	Arizona Department of Insurance	Only applies if amended Bylaws filed.
Filing Certified Copy of Amended Articles	\$175	Arizona Corporation Commission	Redomestication or Name Change only.

There is no application or fee required for a business address change. A signed letter of address change notification on company stationary is acceptable. An application is required for a statutory home office address change ONLY IF the current Arizona certificate of authority specifies the CITY AND state of domicile and the city information has changed.

### DEPOSIT REQUIREMENTS

TYPE OF INSURER	AMOUNT	SPECIFICS
All types except those listed below (A.R.S. 20-213)	\$500,000	Certified by official in possession of assets; held for the benefit of ALL policyholders.
Prepaid Legal (A.R.S. 20-1097.03)	\$500,000	Eligible securities or surety bond; For the benefit and protection of all persons covered under a prepaid legal insurance contract.
Title (A.R.S. 20-1563)	Minimum \$250,000 Maximum \$750,000	Certified by official in possession of assets; held for the benefit of ALL policyholders.
Workers' Compensation (A.R.S. 23-961C)	Minimum \$100,000, plus 10% for market fluctuation.	Eligible securities or surety bond; For the benefit and protection of Arizona WC policyholders.
Health Care Services Organization (A.R.S. 20-1055 and 20-1056)	\$500,000 Initial, plus a separate quarterly reserve deposit of 2% of net charges collected up to \$1M.	Certificate of Deposit or eligible book entry securities; For the satisfaction of all debts and liabilities of the organization.
Service Corporation (A.R.S. 20-828)	\$200,000 to \$500,000 based on annual gross subscriptions collected.	Certificate of Deposit or eligible book entry securities; For the benefit and protection of all subscribers.
Prepaid Dental Plan Organization (A.R.S 20-1005)	\$25,000 to \$200,000 based on number of members.	Eligible securities or surety bond; For the benefit and protection of all members.

**STATE OF ARIZONA RETALIATORY STATEMENT**

**PREMIUM TAX RATES AND CREDITS  
CALENDAR YEAR 2009**

**BASIS OF PREMIUM TAX COMPUTATION, A.R.S. § 20-224**

Total direct premium income including policy membership and other fees and all other considerations for insurance for all classes of business whether designated as a premium or otherwise received on account of policies and contracts covering property, subjects or risks located, resident or to be performed in this state, after deducting from such total direct premium income applicable cancellations, returned premiums, the amount of reduction in or refund of premiums allowed to industrial life policyholders for payment of premiums direct to an office of the insurer, all policy dividends, refunds, savings coupons and other similar returns paid or credited to policyholders within this state and not reapplied as premiums for new, additional or extended insurance. No deduction shall be made of the cash surrender values of policies or contracts. Considerations received on annuity contracts, as well as the unabsorbed portion of any premium deposit, shall not be subject to tax.

**PREMIUM TAX RATES**

Life and Disability Insurance (Annuities Exempt) ..... 2.0%

Health Care Service Organizations, Pre-Paid Dental Plan Organizations and  
Hospital, Medical, Dental and Optometric Service Corporations..... 2.0%

Accountable Health Plan Small Employer Group Health Benefits Plan premiums are exempt from tax.

Property/Casualty, Mortgage Guaranty, Prepaid Legal Insurance:

Fire Insurance Premiums.....	2.2 %
Fire Insurance Premiums Written in Qualifying Cities or Towns [A.R.S. § 20-224(b)] .....	0.66%
All Other Lines (Excluding Fire & Workers' Compensation).....	2.0 %
Vehicle Insurance Premiums - <b><u>In Addition to</u></b> the Fire Insurance (2.2% and 0.66%) tax and All Other Lines (2%) tax. (Not applicable to auto warranty contracts).....	0.4312%

See next page for Additions to the Rate of Tax applicable to insurers domiciled in the states listed.

Title Insurers are subject to taxation on income as other private corporations in lieu of premium tax. Income taxes are payable to the Arizona Department of Revenue.

Workers' Compensation insurance premium tax is payable to the Arizona Industrial Commission at the following rate(s):

<b>A.R.S. § :</b>			
23-961(J)	Administrative Fund	3.00	%
23-1065(A)	Special Fund	1.50	%
<b>Total Tax Rate</b>		<b><u>4.50</u></b>	<b>%</b>

**RETALIATORY LAW; A.R.S. § 20-230 OR A.R.S. § 20-1566(C) FOR TITLE INSURERS**

All taxes, fees, fines, penalties and assessments, excluding guaranty fund assessments, are retaliated in the aggregate (A.R.S. § 20-230) except upon title insurers, whose taxes and fees are segregated in accordance with A.R.S. § 20-1566(C).

**STATE OF ARIZONA RETALIATORY STATEMENT**

**ADDITIONS TO THE RATE OF TAX; A.R.S. § 20-230 AND A.A.C. R20-6-206(F)**

All insurers domiciled in a State listed below must compute Local or Regional taxes, pursuant to Arizona Administrative Code R20-6-206(G), using the rates published by the Department on its Internet web site on or about November 1<sup>st</sup>. The rates will also be published in the Retaliatory Schedule Form SCH-RT.

STATE	2009 Rate of Tax "Life"	2009 Rate of Tax "Other"
ALABAMA		
FLORIDA		
GEORGIA		
ILLINOIS		
KENTUCKY	<b>RATES WILL BE PUBLISHED NOVEMBER 1, 2009 at <a href="http://www.id.state.az.us/inspubs.html#other">http://www.id.state.az.us/inspubs.html#other</a></b>	
LOUISIANA		
MISSOURI		
NEBRASKA		
NEW YORK		
PENNSYLVANIA		
SOUTH CAROLINA		
WEST VIRGINIA		

**ALLOWABLE CREDITS AND OFFSETS**

As of the edition date of this form, there have been no **Arizona Guaranty Fund Assessments**, therefore **no offsets available**.

Insurers must first be certified as eligible for **Enterprise Zone or Military Reuse Zone credits** by the Arizona Department of Commerce before attempting to claim such credits. **Contact the Tax Unit** for further assistance.

Insurers that received **Health Insurance Credit Certificates from the Arizona Department of Revenue** with an **EFFECTIVE** in this Calendar Year period should deduct the full amount of credit stated for each Credit Certificate **EFFECTIVE** in this Calendar Year period. Insurers should not allocate Credit Certificates among multiple Calendar Year periods.

Credits for contributions to **School Tuition Organizations** were enacted this year. See HB2001 and HB2288 or contact the Arizona Department of Revenue at (602) 255-3381) or [www.revenue.state.az.us](http://www.revenue.state.az.us) for more information.

**CONTACT PERSONS**

**Cary Cook, Insurer Licensing Manager** (602) 364-3986 [ccook@azinsurance.gov](mailto:ccook@azinsurance.gov)  
 Admission Application Requirements, Fees and Deposits  
 Certificate of Authority Amendment Requirements, Fees and Deposits  
 Procedures and Fees for Filing Articles of Incorporation or Amended Articles

**Tamika Walton, Tax Unit Supervisor** (602) 364-3245 [twalton@azinsurance.gov](mailto:twalton@azinsurance.gov)  
 Tax Reporting Forms and Instructions

**Tammika Callier, Compliance Section** (602) 364-2712 [tcallier@azinsurance.gov](mailto:tcallier@azinsurance.gov)  
 Trust Deposit Procedures and Forms

**Tony McCormack, Compliance Section** (602) 364-3245 [amccormack@azinsurance.gov](mailto:amccormack@azinsurance.gov)  
 Annual Statement Filing Instructions and Fees