

## SUBCHAPTER 5E - INSURANCE PREMIUMS TAX AND REGULATORY SURCHARGE

### SECTION .0100 - GENERAL PROVISIONS

#### 17 NCAC 05E .0101 REDUCED INSTALLMENT PAYMENTS

The Secretary may reduce the installment payment requirements for the quarterly insurance gross premiums tax and the regulatory surcharge if an insurer submits a written statement to the Department indicating that the insurer reasonably believes that its total estimated payments made for the current year will exceed the anticipated tax liability for the year.

This written statement must contain the basis for the insurer's belief that its installment payments should be reduced and state the factors supporting that belief, such as changes in the law or a reduction in the insurer's writings. The statement must be submitted at least 45 days before the due date of an installment payment. An insurer that files a timely statement may reduce its next installment payment in accordance with the statement unless the insurer receives written notice from the Department that its request has been denied or adjusted.

*History Note:* Authority G.S. 105-228.5; 105-262;  
Eff. January 1, 1989;  
Transferred and Recodified from 11 NCAC 11E .0110 Eff. January 15, 1998;  
Amended Eff. August 1, 1998;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.

#### 17 NCAC 05E .0102 ADDITIONAL FIRE AND LIGHTNING TAXES

*History Note:* Authority G.S. 105-228.5; 105-262;  
Eff. February 1, 1976;  
Readopted Eff. February 28, 1978;  
Transferred and Recodified from 11 NCAC 11E .0202 Eff. January 15, 1998;  
Amended Eff. August 1, 1998;  
Repealed Eff. February 1, 2008.

#### 17 NCAC 05E .0103 PREMIUM FINANCE CHARGES AND OTHER CHARGES

Gross premiums from business in this State include premium finance charges and installment payment charges or other charges received as a result of the partial payment of premiums by a policyholder. These charges are therefore subject to tax.

*History Note:* Authority G.S. 105-228.5; 105-262;  
Eff. April 1, 1993;  
Transferred and Recodified from 11 NCAC 11E .0203 Eff. January 15, 1998;  
Amended Eff. August 1, 1998;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.

#### 17 NCAC 05E .0104 DIVIDENDS APPLIED TO PURCHASE ADDITIONAL PAID-UP LIFE

Dividends applied to purchase additional paid-up life insurance are not taxable under G.S. 105-228.5 since gross premiums are deemed to be the amounts specified in the life insurance policy contracts when issued.

*History Note:* Authority G.S. 105-228.5; 105-262;  
Eff. February 1, 1976;  
Readopted Eff. February 28, 1978;  
Transferred & Recodified from 11 NCAC 11E .0302 Eff. January 15, 1998;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.

#### 17 NCAC 05E .0105 GROUP PREMIUMS

*History Note:* Authority G.S. 105-228.5; 105-262;

*Eff. February 1, 1976;*  
*Readopted Eff. February 28, 1978;*  
*Transferred and Recodified from 11 NCAC 11E .0304 Eff. January 15, 1998;*  
*Amended Eff. August 1, 1998;*  
*Repealed Eff. February 1, 2008.*

**17 NCAC 05E .0106      EMPLOYEE BENEFIT PLAN CONTRIBUTIONS**

Insurance company contributions or subsidies in the self-insurance of life and accident and health insurance coverage as an employee benefit plan are not taxable under G.S. 105-228.5.

*History Note:      Authority G.S. 105-228.5; 105-262;*  
*Eff. February 1, 1976;*  
*Readopted Eff. February 28, 1978;*  
*Transferred & Recodified from 11 NCAC 11E .0305 Eff. January 15, 1998;*  
*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19,*  
*2017.*