



Support HB24-1119 Multi-State Tax Filing System for Insurance Taxes

Sponsors: Rep. Mauro and Rep. Taggart

Insurance companies writing business in Colorado pay a tax on the gross amount of premiums collected or contracted for on all policies or contracts of insurance. In 2022, the Division collected almost \$467 million in premium tax from about 1,500 filers and almost \$57 million in surplus lines tax from 4,318 filers. Companies submit this payment to the Colorado Division of Insurance (Division) using a legacy technology platform whereas many other states have transitioned or are transitioning to national and multi-state premium tax collection systems that simplify and streamline the collection of premium and surplus line tax filings for insurers. This bill would give Colorado the opportunity to use these national and multi-state platforms.

Why is this bill needed?

The use of national platforms will streamline the current workflow and processes for collecting and processing filings, improve the accuracy of data for insurers, and potentially save costs for insurers already using these platforms.

The use of more sophisticated national systems will provide carriers with the ability to create accounts within a single system, eliminating the need for duplicative data entry, providing consistency in their filings, and reducing administrative costs.

- The NAIC OPTIns system for domestic insurer premium tax filings (www.optins.org) is currently used by 19 states. Once an insurer is registered to use OPTIns, they can automatically file in all participating jurisdictions, streamlining the filing process for multistate insurers and helping to ensure seamless electronic payment submissions.
- The Florida Surplus Lines Automation Suite (SLAS), administered by the Florida Surplus Lines Service Office (www.fslso.com), is currently used by 12 states, and processes more than one-third of nationwide surplus lines premium taxes. SLAS has a 98% customer satisfaction rating, and allows companies to easily access policy and tax payment histories, submit endorsements, make corrections, remit tax payments, and run reports.

What will this bill do?

This bill will update Colorado state laws to allow filers to use national platforms to collect premium taxes.

Questions: Please contact Debra Judy, debra.judy@state.co.us, 303.894.2066, and Jill Mullen, jill.mullen@state.co.us, 720.556.4952.