The purpose of putting this information on each state’s website is to provide a direct source from each state for fee information.

The following is the format for providing the information. The lines of information may be expanded to accommodate your state’s required fees. Company types may be grouped together as necessary.

<table>
<thead>
<tr>
<th>State Of Tennessee</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULE OF COMPANY FEES, TAXES, AND DEPOSITS</td>
</tr>
<tr>
<td>Life, Health, Annuity, Property &amp; Casualty or Title, Companies</td>
</tr>
</tbody>
</table>

Section 1 – Fees

<table>
<thead>
<tr>
<th>Admission Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate of Authority Application fee (due at time of application) $675.00</td>
</tr>
<tr>
<td>Admission fee (due at time of application) 0.00</td>
</tr>
<tr>
<td>Annual Statement Filing fee (due at time of application) 0.00</td>
</tr>
<tr>
<td>Filing of Charter Documents (due at time of application) 0.00</td>
</tr>
<tr>
<td>Certificate of Authority issuance fee (due before issuance of Certificate of Authority) 440.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual Fees (due before March 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate of Authority Renewal $ 0.00</td>
</tr>
<tr>
<td>Annual Statement Filing Fee      515.00</td>
</tr>
<tr>
<td>Penalty for late filing PER DAY LATE: 100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing of Articles of Incorporation (due with amended document) 0.00</td>
</tr>
<tr>
<td>Filing of Bylaws (due with amended document) 0.00</td>
</tr>
<tr>
<td>Name Change (due at time of request) 90.00</td>
</tr>
<tr>
<td>Redomestication (due at time of request) 90.00</td>
</tr>
<tr>
<td>Addition/Deletion of Line of Business (due at time of request) 90.00</td>
</tr>
<tr>
<td>Certificate of Deposit (due at time of request) 7.00</td>
</tr>
<tr>
<td>Certificate of Compliance (due at time of request) 7.00</td>
</tr>
<tr>
<td>Certificate of Valuation (due at time of request) 7.00</td>
</tr>
<tr>
<td>Service of Process: (due at time of submission) 0.00</td>
</tr>
</tbody>
</table>

**FEE FOR RECEIVING FORWARDING ADDRESS NOTIFICATION (Form 12): 0.00**
Section II – Taxes  SEE ATTACHED

Premium Taxes

Tax on Direct Premium Written (Tax is due annually before March 1)

Quarterly tax payments

(Deposits are due if the admitted company has paid more than $10,000 in premium taxes to this state in the prior year.)

Deposit payments are one-quarter of prior year tax liability due each quarter on May 30, August 30, and November 30.

Section III - Deposits

General Deposit to operate in the state (in place at time of admission)

<table>
<thead>
<tr>
<th>Type of Company</th>
<th>Deposit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life/Health Companies</td>
<td>$200,000</td>
</tr>
<tr>
<td>P&amp;C Companies, ‘Property’ authority</td>
<td>$100,000</td>
</tr>
<tr>
<td>P&amp;C Companies, ‘Casualty’ authority</td>
<td>$100,000</td>
</tr>
<tr>
<td>P&amp;C Companies, ‘Surety’ authority</td>
<td>$200,000</td>
</tr>
<tr>
<td>Title Companies</td>
<td>$100,000</td>
</tr>
<tr>
<td>Legal Insurance Companies</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

Special Deposit to write

Workers Compensation (in place at time of admission) 0.00

If you have questions or need assistance, please contact Phil Adams at

Phone: 615-741-6152
Fax: 615-532-2788
E-Mail: phil.adams@tn.gov

Information last reviewed/updated 9/28/2012
TENNESSEE

→ Arrow indicates an update for 2011

PREMIUM TAX

Premium Tax Base:

§ 56-4-204

Gross premiums, including membership fees, excluding returned premiums, without deduction of dividends.

§ 56-4-220

There will be no tax on life insurance or annuity contracts issued in connection with any qualified retirement plan. It is department policy not to tax any annuity considerations.

Tax Rate:

§ 56-4-205

1.75% Life insurers

2.5% Other than life

Minimum tax due is $150

§ 56-29-119

Domestic hospital and medical service corporations taxed same as health insurer

§ 56-32-124

All health maintenance organizations doing business in this state shall pay tax on the gross amount of all dollars collected from an enrollee or on an enrollee’s behalf in the amount of 5.5% effective 7/1/09.

§ 56-45-104

Risk retention group taxed the same as a foreign admitted insurer
§ 56-13-114 Captive Insurers (Effective 9/1/11)

Direct written premiums:
- 0.4% on the first $20 million
- 0.3% on each dollar thereafter.

Reinsurance:
- 0.225% on the first $20 million of assumed reinsurance premiums
- 0.150% on the next $20 million
- 0.050% on the next $20 million
- 0.025% on each dollar thereafter.

The annual minimum aggregate premium tax on captives shall be $5,000 and the annual maximum aggregate tax will be $100,000.

Other Taxes and Assessments:

§ 56-4-208 Fire Marshal Tax

Additional .75% tax on portion of premiums allocable to fire insurance risk for executing fire marshal law.

§ 67-2-101 Stocks and Bonds Income Tax

For information contact Tennessee Dept. of Revenue.

§ 56-4-206 Workers' Compensation

Pay tax of 4% on gross premiums, plus .4% surcharge for administration of Occupational Safety and Health Act. Surcharge does not apply to employer with less than 10 employees unless in manufacturing or construction industry.

§ 56-12-107 Property and Casualty Guaranty Association

May assess member insurers no more than 2% net direct written premium for kinds of insurance in account with deficiency.

§ 56-12-208 Life and Health Guaranty Association

May assess member insurers pro rata or non-pro rata for administrative expenses. If pro rata, must credit against future insolvency assessments; if non-pro rata, may not exceed $150 per year. For insolvency expenses, may also assess member insurers no more than 2% average premiums for last 3 years for kinds of insurance in account with deficiency.
Other Taxes and Assessments (cont.)

§§ 56-4-203, 56-4-213 Preemption

No county or city may impose a premium tax. Payment of premium tax is in lieu of all other taxes except ad valorem taxes upon real and personal property and fees required by law.

Exclusions and Deductions:

§§ 56-4-202; 56-25-1504 Fraternal Benefit Societies

Fraternals are exempt from payment of premium taxes.

§ 67-5-1209

"Pure captive insurance companies" are exempt from property tax on corporate property and capitol stock.

State of Kansas, ex rel. Todd v. United States of America, 995 F.2d 1505 (10th Cir. 1993).

The state of Tennessee will not compel the payment of premium taxes on federally reinsured crop insurance because of the 10th Circuit court ruling.

Credits:

§ 56-4-210 Domestic Investments

Companies other than life and health shall be entitled to a credit against the tax for investments in Tennessee securities. Formula contained in statute.

§ 56-12-212 Life and Health Guaranty Association

May offset assessments at the lesser of 10% per year for each of the 10 years following the year in which the assessment was paid, or at a rate of .10% of all premiums written in this state by the insurer for each calendar year until recovery of the assessment is made. The assessment for administrative expenses may not be used as an offset against premium, franchise, excise or income tax liabilities.

§ 56-12-115 Property and Casualty Guaranty Association

Member insurers may be allowed a credit for up to 25% of the premium tax due in any one calendar year until all assessments paid have been offset against premium tax.
Credits (cont.)

§ 4-28-103 Tennessee Small Business Investment Company Credit Act

Effective in tax year 2012 (beginning on 1/1/2012), a participating investor may claim investment tax credit equal to 15% of the investment allocated to the participating investor. Credit can be utilized on the estimated quarterly tax returns. Investors are not required to pay additional retaliatory tax as a result of claiming the investment tax credit. No participating investor's investment tax credit shall exceed the premium tax liability for any given year.

Payment Due Dates:

§§ 56-4-205, 56-4-212

Quarterly payments are due each June 1, August 20, December 1, and March 1. Each payment shall be 80% of the amount finally shown to be due for the quarter or 25% of the prior year’s total tax.

Penalties:

§ 56-4-216

For failure to file return: 5% for first month, 5% for second month, plus .5% per month thereafter. The maximum penalty is $10,000 for any company not more than 3 days late. In addition, delinquencies bear interest at rate of 10% per year. Failure to pay tax and interest more than 60 days after they are due will result in revocation of certificate of authority.

Extensions:

§ 56-4-216

May grant extension of up to 60 days. Tax will still accrue interest. Request must be made before the due date of the applicable tax period.

Retaliatory Law:

§ 56-4-218

When taxes, fees, fines, penalties, licenses, deposit requirements, etc. imposed on Tennessee companies by other states are higher in the aggregate than those Tennessee would charge similar insurers, retaliation will occur. Any license, tax, etc. imposed by a political subdivision is considered imposed by the state.