

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

Company Activities

18.06.06 – Surplus Line Rules

Who does this rule apply to?

This rule applies to resident and non-resident licensees, producers, purchasing groups, and brokers of surplus lines.

What is the purpose of this rule?

This rule provides procedures for the placement of surplus line insurance.

What is the legal authority for the agency to promulgate this rule?

This rule implements the following statutes passed by the Idaho Legislature:

Insurance -

- [Title 41, Chapter 12, et seq., Idaho Code](#) – Unauthorized Insurers and Surplus Lines

Who do I contact for more information on this rule?

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18.06.06 – SURPLUS LINE RULES

000. LEGAL AUTHORITY.

Section 41-1232, Idaho Code.

(7-1-25)

001. SCOPE.

Provide procedures for the placement of surplus line insurance.

(7-1-25)

002. – 009. (RESERVED)

010. DEFINITIONS.

In addition to the definitions set forth in Section 41-1213, Idaho Code, the following definitions also apply:

(3-31-22)

01. Diligent Search. A Broker has exercised their obligations under Section 41-1214(2), Idaho Code, if the Broker or the referring insurance producer submits a risk to at least one (1) authorized company engaged in writing in Idaho the type of coverage sought, or if there are no companies engaged in writing such coverage, the risk is submitted to at least one (1) company that, in the Broker's or producer's professional judgment, is the most likely to accept the risk.

(3-31-22)

02. Delegated Contractor. Any contractor to whom activities have been delegated by the Director under Section 41-1232, Idaho Code.

(3-31-22)

011. BIENNIAL LICENSE.

The Idaho license of a resident or non-resident Broker is to be renewed every two (2) years. A broker will not solicit surplus line business before being licensed as a Broker. A broker will notify the Licensing Division of the Department if not renewing the license prior to the license renewal date to settle any taxes or filing requirements.

(7-1-25)

012. ANNUAL REPORT.

The information required in each Broker's annual report is incorporated into and will be filed with the Annual Statement of Premium Taxes, both due March 1 of each year.

(7-1-25)

013. PAYMENT OF STATE TAX.

By February 1 of each year, the delegated contractor will provide to each Broker a summary of records showing the state tax due to the Department for the preceding year and owed by the Broker. A flat percentage of the gross premium written during the year is not acceptable since tax was collected on each individual policy and that full amount will be paid to the Department.

(7-1-25)

014. PAYMENT OF STAMPING FEES.

01. Application. A stamping fee is charged on all premiums and policy fees written on Idaho business at a rate established by the delegated contractor and approved by the Department. This rate may be adjusted to obtain the objectives of the delegated contractor. The stamping fee cannot be refunded except in the case of extenuating circumstances approved by the delegated contractor.

(3-31-22)

02. Summary. Within ten (10) days following the month during which the surplus line insurance was handled through the delegated contractor, the delegated contractor will submit an invoice summarizing the premium, Idaho tax, and Stamping Fee for each submission processed to each Broker.

(3-31-22)

03. Payable on Receipt. The Stamping Fee is payable upon receipt of billing. It is delinquent if not paid within thirty (30) days after the last day of the month in which the business was reported.

(3-31-22)

015. COLLECTION OF TAXES.

01. Idaho Premium Taxes. Idaho Premium Tax will be collected from the insured. Policy fees, service fees, and other like fees are considered part of the premium and subject to premium tax. State premium taxes will be refunded to the taxpayer upon cancellation of the policy or return of premium for any reason.

(3-31-22)

02. Purchasing Groups. Purchasing groups that obtain insurance from any surplus lines insurer will use an Idaho-licensed Broker. The Broker is responsible to collect and submit all taxes and fees as prescribed by this chapter.

(7-1-25)

016. REPORTING TAXES AND STAMPING FEES.

Brokers are to report premium taxes and stamping fees in increments of not less than one year. A Broker who collects quarterly or monthly payments of premiums from the insured will provide reports of the premium tax and stamping fee in the initial submission or renewal for a full year. (3-31-22)

017. PLACEMENT AND COMMISSIONS.

When a producer requests placement by a licensed Broker, the commission received and paid will be based on the mutual written agreement of the parties. (7-1-25)

018. SUBMISSION TIME PERIODS.

All filings for insurance written pursuant to Chapter 12, Title 41, Idaho Code, are to be received by the delegated contractor within thirty (30) days of receipt by the broker of the certificate, endorsement or other policy document. If the complete submission cannot be made within this time period, the information with submission form and affidavit, if applicable, will be forwarded. The Broker is responsible for meeting this requirement. (7-1-25)

019. COMPLIANCE FOR RISKS NOT ON OPEN LINES FOR EXPORT.

If a risk does not appear on the Open Lines for Export list, the Broker will file all the same filings for insurance written to Chapter 12, Title 41, Idaho Code. (7-1-25)

020. BROKER RECORDS.

Reports of all documents processed by the delegated contractor will be provided on a monthly basis to the Broker. These reports, in addition to the broker's full and true records are to be kept for a period of five (5) years and are subject to examination by the Director. (7-1-25)

021. APPROVED LIST OF INSURERS.

The delegated contractor will inform Brokers of any changes to the list of eligible surplus lines insurers. (7-1-25)

022. – 999. (RESERVED)