

<b>Part A – Filer Contact Information</b>											
<i>Full Name of Insurance Agent /Broker</i>			<i>Contact Name</i>			<i>Contact Tel No.</i>			<i>Contact Email Address</i>		
<i>Mailing Address</i>			<i>City</i>			<i>Province</i>			<i>Postal Code</i>		
<b>Part B – Insured Contact Information</b>											
<i>Full Name of Insured</i>			<i>Contact Name</i>			<i>Contact Tel No.</i>			<i>Contact Email Address</i>		
<i>Mailing Address</i>			<i>City</i>			<i>Province</i>			<i>Postal Code</i>		
<b>Part C – Insurance Policy Information</b>											
<i>Line</i>	<i>Line Description</i>		<i>Policy #1</i>			<i>Policy #2</i>			<i>Policy #3</i>		
1	Policy Number										
2	Class of Insurance										
3	Description of Coverage										
4	Maximum Policy Limits:	Per Occurrence									
		In Aggregate									
5	Effective Date of Insurance										
6	Term of Policy										
7	Percentage of Risk in BC										
8	Federal Excise Tax Exemption Applied for? [Mark appropriate answer]		Yes	No	Unknown	Yes	No	Unknown	Yes	No	Unknown
9	Name of Unauthorized Insurer (s)										
10	Address of Unauthorized Insurer (s)										
11	Policy Premium										
12	Currency										
13	Foreign Exchange Rate Used (1.00 for CAD)										
14	Policy Premium (in CAD)										
										<i>Totals</i>	

**Part D – Premium Tax Calculation** (only to be completed if the insurance agent / broker is also filing this form for premium tax purposes)

<i>Line</i>	<i>Line Description</i>	<i>Policy #1</i>	<i>Policy #2</i>	<i>Policy #3</i>	<i>Total</i>	
15	Policy Premium (in Canadian dollars)					
16	Subtract: Portion of Premium related to Marine Insurance, excluding pleasure craft insurance					
17	Add: Insurance Agent / Broker Fees					
18	Policy Premium & Fees – Net of Marine Insurance					
19	BC Taxable Premium & Fees [Line 7 times Line 18]					
20	Unlicensed Premium Tax Rate				7%	
21	Unlicensed Premium Tax Payable [Line 20 times Line 19]					
22	Payment Enclosed? [Circle appropriate answer]				No	Yes

**Consent to Sharing of Information** (only to be completed if the insurance agent / broker is also filing this form for premium tax purposes)

I/We are the authorized representative of the Insured in matters pertaining to Insurance Premium Tax Act and consent to the sharing of the information contained in this return with the Income Taxation Branch of the Ministry of Finance.

<i>Full Name / Position</i>	<i>Signature</i>	<i>Date</i>

**Certification**

I/We certify all information provided in this return is true and correct to the best of my / our knowledge and belief.

<i>Full Name / Position</i>	<i>Signature</i>	<i>Date</i>

## INSTRUCTIONS

### General Instructions

Insurance agents / brokers, who are involved with the placement of insurance with unauthorized insurers under section 76 (1) (c) of the **Financial Institutions Act** ("FIA"), are required to file, within 30 days of the end of each quarter, this return with the Superintendent of Financial Institutions. This requirement is set out in section 9 of the **Insurer Exemption Regulation** of the FIA.

This return is to be completed for all classes of insurance placed with unauthorized insurers, including marine insurance. Unauthorized insurance is any contract of insurance placed with an insurer that is not authorized in British Columbia under the FIA, which can be verified at [www.fic.gov.bc.ca](http://www.fic.gov.bc.ca).

Insurance agents / brokers are to file a return for each insured person or entity; however, a return may be used for more than one policy covering the same insured person or entity. A new return must be filed for any subsequent endorsement or amendment to an existing policy.

This return is to be submitted to:

Superintendent of Financial Institutions  
Insurance Department  
1200 – 13450 102<sup>nd</sup> Avenue  
Surrey, BC V3T 5X3

Insurance agents / brokers may use this return for filing the insured's premium tax information and payments under the Insurance Premium Tax Act ("IPTA"). This return can be used in place of the form entitled "Fin 521 – Unlicensed Insurance Tax Form".

The IPTA requires a return to be filed, and the tax paid, within 90 days of the commencement date of the contract of insurance with an unauthorized insurer. If insurance agents / brokers use this return for premium tax purposes, the return can be filed with the Superintendent of Financial Institutions on the same basis as required under the IPTA in order to facilitate compliance with both the FIA and IPTA.

If insurance agents / brokers are not using the form for premium tax purposes, they are not required to complete the sections entitled: "Part D – Calculation of Premium Tax" and "Consent for Sharing Information".

For **premium tax purposes**, insurance agents / brokers are to submit this return, payment and copies of the declaration pages of each insurance contract to:

Ministry of Finance  
Income Taxation Branch  
PO Box 9444 Stn Prov Govt  
Victoria, BC V8W 9W8

Please include a cheque or money order in Canadian funds payable to the Minister of Finance, with your return.

If any part of the premium is refunded as a result of cancellation or other revision of the contract, a refund of the applicable tax may be claimed. Please provide an explanation, ensure that the policy number and commencement date match the original return, and attach a copy of the declaration page of the cancelled or revised contract.

For further information on premium taxes see the following website:

[http://www.sbr.gov.bc.ca/business/Income\\_Taxes/InsurancePremiumTax/ipt.htm](http://www.sbr.gov.bc.ca/business/Income_Taxes/InsurancePremiumTax/ipt.htm)

## **Detailed Instructions**

This section is designed to assist insurance agents / brokers in clarifying what items must be reported in the return.

### **Part A – Filer Contact Information**

The contact is the person primarily responsible for the placement of the insurance with the unauthorized insurer who could answer questions from the Superintendent of Financial Institutions.

The information in Part A must be completed in full. If the insurance agent / broker does not have an Email address, enter “N/A”.

### **Part B – Insured Contact Information**

The contact is the person primarily responsible for insurance matters who could answer questions from the Superintendent of Financial Institutions.

The information in Part B must be completed in full. If the insured party does not have an Email address, enter “N/A”.

### **Part C – Insurance Policy Information**

**Line 1 – Policy Number:** Report on this line the specific alphanumeric identifier for the insurance policy.

**Line 2 – Class of Insurance:** Report on this line the class of insurance which describes the insurance coverage. Insurance agents are encouraged to make the breakdown of the “Property” classes of insurance to: Property – Personal and Property – Commercial.

**Property - Personal** would include such classifications as habitational property and multi-peril policies, including residential contents of buildings such as apartments, rooming houses, motels, manufacturing and mercantile buildings and the liability exposure of personal package policies issued with indivisible premiums. This line would include fire policies, householders’ contents and homeowners’ personal risks, residential burglary and theft and special residential glass coverage. Casualty coverage such as personal liability for bodily injury would not be included in this category.

**Property - Commercial** would include all commercial property and multi-peril policies, but would exclude all separate classes of insurance as defined by the Insurance Classes Regulation. To the extent that insurers are issuing commercial package policies with liability exposure as part of an indivisible premium, these should be reported as Property and Liability – Commercial.

The following definitions and explanations are intended to serve as guidelines. Insurance agents / brokers are reminded that British Columbia has statutory definitions for classes of insurance.

- a) *Home-Owner's and Similar Policies:* The total of premiums and claims for multi-risk or multi-peril insurance, including liability insurance, should be reported as Property - Personal.
- b) *Nuclear Risk Insurance:* The physical damage portion must be classed as Property - Commercial and the third party liability portion as Liability Insurance.
- c) *Automobile Insurance:* Insurance agents / brokers are requested to report this coverage as Automobile Insurance.
- d) *Warranty Insurance:* Warranty insurance is to be reported as Warranty Insurance.
- e) *Life Insurance:* Life insurance is to be reported as Life insurance.
- f) *Travel Insurance:* Travel Insurance is to be reported as Travel Insurance.
- g) *Accident & Sickness Insurance:* Accident and sickness insurance is to be reported as Accident & Sickness Insurance.

**Line 3 – Description of Coverage:** Provide a detailed description of the insurance coverage. Include in the description the type of policy and object of the insurance (if it is a group policy, number of certificate holders).

**Line 4 – Maximum Policy Limits:** Report on this line the maximum amount of insurance coverage provided to the insured by per occurrence, and in aggregate, under the policy.

**Line 5 – Effective Date of Insurance:** Report on this line the date that coverage under the contract or renewal became effective. If there is additional premium received for an adjustment or endorsement at a later date, this is to be reported as a new filing using the date of the adjustment or endorsement.

**Line 6 – Term of Policy:** Report on this line the policy term in months.

**Line 7 – Percentage of risk in BC:** If the contract of insurance covers both risks located in British Columbia and other jurisdictions, an allocation percentage must be calculated. Attach a detailed explanation of the methodology used to derive this percentage.

**Line 8 – Federal Excise Tax Exemption Applied For?:** Report on this line whether the Federal Excise Tax exemption has been applied for on this policy by the insured. Possible responses are yes, no or unknown.

**Line 9 – Name of Unauthorized Insurer:** Report on this line the full legal name of the unauthorized insurer. If there is more than one insurer, attach a list of the insurers and their percentage participation in the insurance policy.

**Line 10 – Address of Unauthorized Insurer:** Report on this line the mailing address of the head office of the unauthorized insurer. If there is more than one insurer, attach a list of the insurers and their addresses.

**Line 11 – Policy Premium:** Report on this line the total amount of premium paid by the insured to the unauthorized insurer, in the denominate currency set out in the policy.

**Line 12 – Currency:** Report on this line the denominate currency, as set out in the policy.

**Line 13 – Foreign Exchange Rate:** Report on this line the foreign exchange rate used to compute the premium paid in Canadian dollars. If the policy premium is denominated in Canadian Dollars, enter “1”.

**Line 14 – Policy Premium (in Canadian dollars):** Report on this line the amount of premium paid by the insured to the unauthorized insurer, in Canadian dollars. This line is computed by multiplying Line 11 by Line 13.

## **Part D – Premium Tax Calculation**

**This section is only to be completed if the insurance agent / broker is also filing this form for premium tax purposes.**

**Line 15 – Policy Premium (in Canadian dollars):** Report on this line the amount of premiums (in Canadian dollars) reported on Line 14.

**Line 16 – Subtract: Portion of premiums related to Marine Insurance:** Report on this line the amount of premiums relating to marine insurance, excluding pleasure craft insurance. Only marine insurance that is not pleasure craft insurance is exempt from the insurance premium tax. Pleasure craft insurance includes property and liability insurance in respect of water craft for use for relaxation or sport whether or not it is chartered to another person for that use. If the marine portion of the premium is in a foreign currency, convert the premium to Canadian dollars using the same exchange rate reported in Line 13 and enter the Canadian dollar amount on this line.

**Line 17 – Add: Insurance Agent / Broker Fees:** Report on this line the amount of insurance agent / broker fees paid by the insured that are not included in the policy premium reported in Line 11, less the appropriate percentage attributed to marine insurance. If these fees are charged in a foreign currency, convert the amount to Canadian dollars, using the same exchange rate used in line 13 and enter the Canadian dollar amount on this line.

**Line 18 – Policy Premiums & Fees – Net of Marine Insurance:** Report on this line the total of Line 15 plus Line 17 minus Line 16.

**Line 19 – BC Taxable Premium & Fees:** Report on this line the total of the British Columbia taxable premium & fees, set out in the Premium Tax Act. This is calculated by multiplying Line 7 by Line 18.

**Line 20 – Unlicensed Premium Tax Rate:** This is the rate charged on unlicensed premiums, as set out in the Insurance Premium Tax Act.

**Line 21 – Unlicensed Premium Tax Payable:** Report on this line the total of multiplying Line 19 by Line 20.

**Line 22 – Total Payment Enclosed?:** Report on this line whether the full payment is enclosed. Possible response on this line is “yes” or “no”. If the answer is “no”, please provide an explanation and indicate what portion of the payment is included.

### **Consent to Sharing Information**

If the insured agrees to allow the Financial Institutions Commission to share this information, and if an insurance agent / broker has not been granted the authority to act on the insured’s behalf in matters pertaining to the Insurance Premium Tax Act, the insured is to sign in this area.

### **Certification**

This is to be completed by either the designated person on behalf of the insurance agency / brokerage, if applicable, or the individual insurance agent/ broker involved in the transaction with the insured.