

**§2513. Tax on premiums and annuity considerations**

Every insurance company or association that does business or collects premiums or assessments including annuity considerations in the State, including surety companies and companies engaged in the business of credit insurance or title insurance, shall, for the privilege of doing business in this State and in addition to any other taxes imposed for that privilege, pay a tax upon all gross direct premiums including annuity considerations, whether in cash or otherwise, on contracts written on risks located or resident in the State for insurance of life, annuity, fire, casualty and other risks at the rate of 2% a year. Every nonadmitted insurer that does business or collects premiums in the State shall, for the privilege of doing business in this State and in addition to any other taxes imposed for that privilege, pay a tax upon all gross direct premiums, whether in cash or otherwise, as provided in section 2531. For purposes of this section, the term "annuity considerations" includes amounts paid to an insurance company for the purchase of a contract that may result in an annuity, even if the annuitization never occurs or does not occur until some time in the future and the amounts are in the meantime applied to an investment vehicle other than an annuity. This section does not apply to mutual fire insurance companies subject to tax under section 2517 or to captive insurance companies formed or licensed under Title 24-A, chapter 83 or under the laws of another state. [PL 2011, c. 331, §12 (AMD); PL 2011, c. 331, §§16, 17 (AFF).]

Notwithstanding this section, annuity considerations received in tax years ending prior to January 1, 1999 upon which no tax was paid in the year received must be taxed in the year in which an annuity is actually purchased. [PL 2003, c. 20, Pt. CC, §1 (NEW); PL 2003, c. 20, Pt. CC, §3 (AFF).]

Notwithstanding this section, for tax years commencing on or after January 1, 1989, the tax imposed by this section upon all gross direct premiums collected or contracted for on long-term care policies, as certified by the superintendent pursuant to Title 24-A, section 5054, must be at the rate of 1% a year. [PL 2017, c. 288, Pt. A, §47 (AMD).]

Notwithstanding this section, for tax years commencing on or after January 1, 1997, the tax imposed by this section with respect to premiums on qualified group disability policies written by every insurer, except a large domestic insurer, must be at the rate of 1% and must be at the rate of 2.55% with respect to those premiums written by every large domestic insurer. For the purposes of this section, the term "qualified group disability policies" is limited to group health insurance policies properly reported as such in the insurer's annual statement and whose sole coverage is the full or partial replacement of an individual's income in the event of disability. Policies that contain coverages in addition to replacement of income coverage are considered to solely provide that coverage as long as the premium related to the additional coverages is not more than 10% of the total premium charged. The term "qualified group disability policies" does not include workers' compensation insurance policies, policies that include coverages that are collectively renewable, policies that provide for credit disability insurance or policies that pay benefits only upon the occurrence of hospitalization. For purposes of this section, a "large domestic insurer" is any insurer domiciled in this State with assets in excess of \$5,000,000,000 as reported on its annual statement. [PL 1997, c. 496, §1 (NEW).]

**SECTION HISTORY**

PL 1973, c. 727, §4 (AMD). PL 1985, c. 783, §11 (AMD). PL 1989, c. 556, §B5 (AMD). PL 1997, c. 496, §1 (AMD). PL 1997, c. 660, §B4 (AMD). PL 2003, c. 20, §CC1 (AMD). PL 2003, c. 20, §CC3 (AFF). PL 2005, c. 218, §30 (AMD). PL 2007, c. 240, Pt. KKKK, §1 (AMD). PL 2007, c. 240, Pt. KKKK, §7 (AFF). PL 2007, c. 627, §52 (AMD). PL 2009, c. 625, §9 (AMD). PL 2011, c. 331, §12 (AMD). PL 2011, c. 331, §§16, 17 (AFF). PL 2017, c. 288, Pt. A, §47 (AMD).

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