



June 21, 2011

## IMPORTANT: PLEASE READ

### **RE: REVISED SURPLUS LINES INSURANCE ACT – 5% PREMIUM TAX RATE**

The Revised Surplus Lines Insurance Act in Tennessee became effective immediately upon the signature of Governor Haslam on Friday, June 10, 2011. The new law makes a number of significant reforms including an increase in the surplus lines tax rate to 5%. See page 10 of the bill on the following link:

<http://www.tn.gov/sos/acts/107/pub/pc0446.pdf>

The new “one” tax rate of 5% applies to all new, renewed and additional premiums with an effective date of 6/11/2011 and later.

Return premium endorsements and cancellations will be at the rate(s) they were when the policy and/or endorsement originally went into effect.

All policies bound with Tennessee Underwriters, Inc. with an effective date of June 11<sup>th</sup> and later, along with any outstanding quotes will be revised to reflect the new surplus lines tax increase to 5%. We are in the process of endorsing policies already issued to reflect the rate change.

Policies financed with TUI Premium Finance with an effective date of June 11<sup>th</sup> and later, the finance agreement will be revised to reflect the correct tax rate. We will need both the insured’s and agent’s signature on the revised agreement.

If you have any questions, please call or email your underwriter at Tennessee Underwriters, Inc.

Allison Flores	<a href="mailto:aflores@tnund.com">aflores@tnund.com</a>	615-791-1400 Ext. 205
Nicki Streisel	<a href="mailto:nstreisel@tnund.com">nstreisel@tnund.com</a>	615-791-1400 Ext. 203
Darlene Crafton	<a href="mailto:dcrafton@tnund.com">dcrafton@tnund.com</a>	615-791-1400 Ext. 206