




# Florida Surplus Lines Service Office

**BULLETIN: 2020-02**

**TO: FLORIDA SURPLUS LINES AGENTS, SURPLUS LINES INSURERS AND  
INDEPENDENTLY PROCURED COVERAGE (IPC) FILERS**

**FROM: GARY D. PULLEN, EXECUTIVE DIRECTOR  
FLORIDA SURPLUS LINES SERVICE OFFICE** 

**DATE: April 10, 2020**

**SUBJECT: FLORIDA SURPLUS LINES TAX DECREASED FROM 5% TO 4.94%**

The purpose of this bulletin is to provide notification that the Florida surplus lines tax charged by the Florida Department of Financial Services (DFS) will decrease from 5% to 4.94% effective July 1, 2020.

All new and renewal policies with an effective date on or after July 1, 2020 will incur a tax of 4.94% of the total gross premium as defined in Florida Statute 626.932. Multistate risks will also be taxed at 4.94% on the entire premium, eliminating the requirement to charge the tax rate of the state where the risk or exposure is located. The tax percentage charged on the premium is based on the effective date of the policy and is charged on all applicable Florida policies.

The tax rate for all new and renewal policies (and subsequent endorsements) with an effective date prior to July 1, 2020 will remain 5%, or the applicable state rate where there is multistate risk.

**EXAMPLE ONE:** The tax rate for a policy with only Florida risk that has an effective date of 01/01/2020 is 5% of the total gross premium. An additional premium endorsement to the policy with an endorsement effective date of 07/01/2020 is 5%. If a cancellation takes place with an effective date of 8/01/2020, the tax credit is 5%.

**EXAMPLE TWO:** The tax rate for a multistate Florida policy with an effective date of 01/01/2020 is 5% of the total gross premium for the Florida exposure, and allocation of premium is required among the states with exposure and is charged the applicable state tax rate. An additional premium endorsement to the policy with an effective date of 07/01/2020 is either 5% for the Florida exposure and/or the applicable state tax rate. If a cancellation takes place with an effective date of 08/01/2020, the tax credit is also either 5% for the Florida exposure and/or the applicable state tax rate.

**EXAMPLE THREE:** The tax rate for a policy with only Florida risk that has an effective date of 07/01/2020 will be 4.94% of the total gross premium. For multistate Florida policies, the only allocation required will be to breakout Florida premium and Non-FL premium, but all premium will be taxed at 4.94%.

Again, the tax percentage charged on the premium is based on the effective date of the policy. For an electronic copy of the bulletin, please visit: [www.fslso.com/Publications](http://www.fslso.com/Publications).

Business rules for calculating the correct tax rate will be programmed into the FLSO's management system. Batch agent XML filers will need to begin utilizing schema version 2.1 for both multi-state and single-state filings; additionally, you may need to contact your agency's information technology vendor or staff regarding needed revisions to your agency management system that may be necessary to calculate the revised tax. Please email [batchfiling@fslso.com](mailto:batchfiling@fslso.com) for further information.

FLSO's Tax Estimator provides instant access to the most current tax rates and is available in a mobile application for Apple or Android devices. To use the Tax Estimator, visit [www.fslso.com/estimate](http://www.fslso.com/estimate).

FLSO also provides a free Tax Estimator web service application for businesses desiring to make the Tax Estimator available from their internal agency management system or third party website. Contact Tiffany Maruniak Andersen ([tmaruniak@fslso.com](mailto:tmaruniak@fslso.com)) for more information.

As always FLSO can be reached toll free at 800.562.4496, or email us at [info@fslso.com](mailto:info@fslso.com) or visit our website at [www.fslso.com](http://www.fslso.com).