

IB-4A2

Gross Premiums Tax Return Captive Insurance Companies

To be filed by a Protected Cell Captive Insurance Company

For tax year beginning (MM-DD-YY) _____ and ending (MM-DD-YY) _____		DOR Use Only ____ / ____ / ____
Legal Name of Captive Insurance Company _____		FEIN/SSN _____ NAIC Number _____ NCDOI License Number _____
Mailing Address of Captive Insurance Company _____		
City _____	State _____ Zip Code _____	
Principal Place of Business in NC _____		
Date Licensed to do Business in NC _____		

Number and Type of Protected Cells (Enter number of unincorporated cells and number of incorporated cells):	Number of Unincorporated Protected Cells _____	Number of Incorporated Protected Cells _____
---	---	---

Name of Contact Person _____	Phone Number _____
---------------------------------	-----------------------

Legal Name of Captive Manager Firm _____		
Mailing Address of Captive Manager Firm _____		
City _____	State _____	Zip Code _____

Part 1. Computation of Tax on Direct Premiums *(Direct premiums are premiums contracted for or collected on policies or contracts of insurance written by the company during the preceding calendar year. In the case of a multiyear policy or contract, the premiums are prorated among the years covered by the policy or contract. All direct premiums written by a North Carolina captive are subject to tax in North Carolina.)*

1. Gross Direct Premiums Collected or Contracted For	1. _____ .00
2. Adjustments <i>(See instructions):</i>	
a. Less Return Premiums, including Dividends, on Unabsorbed Premiums or Premium Deposits Returned or Credited to Policyholders <i>(Attach schedule)</i>	2a. _____ .00
b. Less amount of premiums included in Line 1 that pertain to multi-year contracts that are for coverage in years other than calendar year for which return is being filed <i>(Attach schedule)</i>	2b. _____ .00
c. Add amount of premiums NOT included in Line 1 that pertains to multi-year contracts that are for coverage in calendar year for which return are being filed <i>(Attach schedule)</i>	2c. _____ .00
3. Net Taxable Direct Premiums Line 1 minus Lines 2a and 2b and plus Line 2c	3. _____ .00
4. Tax on Direct Premiums Multiply Line 3 by the applicable percentage(s) below; add the amounts and enter sum	4. _____ .00

- Multiply the first \$20 million by 0.400%
- Multiply the amount over \$20 million by 0.300%

Part 2. Computation of Tax on Assumed Reinsurance Premiums *(No tax on assumed reinsurance premiums is payable in connection with the receipt of assets in exchange for the assumption of loss reserves and other liabilities of one insurer by another insurer if the two insurers are under common control and the Commissioner of Insurance verifies that the transaction between the insurers is: (1) part of a plan to discontinue the operations of one of the insurers, and (2) the intent of the insurers is to renew or maintain business with the captive insurance company.)*

5. **Assumed Reinsurance Premiums** 5. _____ .00
6. **Adjustments** *(See instructions):*
- a. Less amount of assumed reinsurance premiums that are subject to taxation on a direct basis *(Attach schedule)* 6a. _____ .00
- b. Less amount of assumed reinsurance premiums in connection with the receipt of assets in exchange for assumption of loss reserves and other liabilities *(Attach schedule)* 6b. _____ .00
7. **Net Taxable Assumed Reinsurance Premiums** 7. _____ .00
Line 5 minus Lines 6a and 6b
8. **Tax on Assumed Reinsurance Premiums** 8. _____ .00
Multiply Line 7 by the applicable percentage(s) below; add the amounts and enter sum

- Multiply the first \$20 million by 0.225%
- Multiply the amount over \$20 million but no more than \$40 million by 0.150%
- Multiply the amount over \$40 million but no more than \$60 million by 0.050%
- Multiply the amount over \$60 million by 0.025%

Part 3. Total Premiums Tax for Protected Cell Insurance Company with 10 or Fewer Cells

9. **Amount of Calculated Tax** 9. _____ .00
Enter the sum of Part 1, Line 4 and Part 2, Line 8
10. **Total Premiums Tax For Protected Cell Captive Insurance Company with 10 or Fewer Cells** 10. _____ .00

- If the amount on Line 9 is more than \$100,000, enter \$100,000
- If the amount on Line 9 is less than \$5,000, enter \$5,000
- If the amount on Line 9 is between \$5,000 and \$100,000, enter the amount of Line 9 on Line 10

Important: If you complete Part 3, do not complete Part 4. Proceed to Part 5.

Part 4. Total Premiums Tax for Protected Cell Insurance Company with More Than 10 Cells

11. **Amount of Calculated Tax** 11. _____ .00
Enter the sum of Part 1, Line 4 and Part 2, Line 8
12. **Minimum Tax** 12. **10000** _____ .00
13. **Calculation of Minimum Tax** 13. _____ .00
Compare the amount on Line 11 with the amount on Line 12. If the amount on Line 11 is less than \$10,000, enter \$10,000 on Line 13. Otherwise, enter amount of Line 11 on Line 13.
14. **Number of Cells over 10** 14. _____
Enter the number of cells over 10
15. **Multiply Line 14 by \$5,000** 15. _____ .00
Multiply the number of cells over 10 on Line 14 by \$5,000 and enter the result on Line 15.
16. **Add \$100,000 to the amount on Line 15** 16. _____ .00
Enter the sum of the amount on Line 15 and \$100,000
17. **Maximum Tax** 17. **200000** _____ .00
18. **Compare the Amount on Line 16 with the Amount on Line 17** 18. _____ .00
If the amount on Line 16 is greater than \$200,000, enter \$200,000 on Line 18. Otherwise, enter amount of Line 16 on Line 18.
19. **Total Premiums Tax For Protected Cell Insurance Company with More Than 10 Cells** 19. _____ .00
Compare the amount on Line 13 with the amount on Line 18. Enter the lesser of Line 13 or Line 18.

Part 5. Total Amount Due with This Return

20. Total Premiums Tax Due Enter the amount from Part 3, Line 10 or Part 4, Line 19	20.		.00
21. Tax Credits Enter total amount of tax credit(s) being claimed. <i>(Attach completed Form CD-425 and appropriate forms in the NC-478 series.)</i>	21.		.00
22. Line 20 minus Line 21	22.		.00
23. Penalties: a. Failure to file <i>(See instructions)</i>	23a.		.00
b. Failure to pay <i>(See instructions)</i>	23b.		.00
24. Interest <i>(See instructions)</i>	24.		.00
25. Total Amount Due with this Return Enter the sum of Lines 22, 23a, 23b, and 24	25.	\$	.00

A list of the names and identifying numbers of each cell and a schedule showing direct premiums and assumed reinsurance premiums for each cell along with appropriate pages from the financial statements of each cell filed with North Carolina Commissioner of Insurance in support of premiums reported on this return must be attached.

Signature: _____ Title: _____ Date: _____
I certify that, to the best of my knowledge, this return is accurate and complete.

Returns are due by the 15th day of the 3rd month following the end of the calendar year. Your check or money order must be in the form of U.S. currency from a domestic bank.

N.C. Department of Revenue, Insurance Premiums Tax Unit, P.O. Box 25000, Raleigh, NC 27640-0300