

TIP #15B8-02

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**Florida Guaranty Association Assessment Recoupment
No Longer Reportable as Taxable Premiums**

Amounts recouped from policyholders as a result of a Florida Insurance Guaranty Association (FIGA) assessment under subsection 631.57(3), Florida Statutes (F.S.), levied on or after July 1, 2015, are no longer considered taxable premiums. Recouped regular and emergency assessments are specifically excluded from taxable premiums and, therefore, are not subject to the Insurance Premium Tax or to the State Fire Marshal Regulatory Assessment.

Since FIGA assessments are specifically stated to be imposed on the insurer, the property insurance portion of the assessment will continue to be included as a burden of the insurer on the Florida side of the retaliatory tax computation, even if recouped from the policyholder.

To the extent a recoupment of FIGA assessments imposed on or after July 1, 2015, is included in direct written premiums on the insurer's Annual Statement, the recouped assessments should be subtracted in the computation of taxable premiums on the *Insurance Premium Taxes and Fees Return* (Form DR-908). Insurers must maintain records of their recouped assessment amounts and must document the proper amount of premiums subject to Insurance Premium Tax.

References: Chapter 631, Florida Statutes (2015); Chapter 2015-65, Laws of Florida