6.6.4802 FIRE PREMIUM ALLOCATION PROCEDURE

(1) Insurers paying fire premium tax required by 50-3-109(1), MCA, shall provide to the CSI the calculation of fire premium separately for each line of business identified in 50-3-109(2), MCA.

(2) For each line of business identified in 50-3-109(2), MCA, the following apply to an insurer's reporting obligation under (1):

(a) If the percentage of fire premium reported is at or above the presumptively reasonable allocation, the insurer need not provide any other documentation to justify that fire premium;

(b) If the percentage of fire premium reported is below the presumptively reasonable allocation, the insurer shall provide the basis for the calculation of fire premium along with any supporting documentation to the CSI. If the CSI accepts the insurer's calculation of fire premium, and in subsequent years the percentage of fire premium remains the same, the insurer is not required to provide such justification to the CSI; or

(c) Unless the presumptively reasonable allocation for a line of business is 0% as provided in ARM 6.6.4803(1), if the fire premium reported is zero, the insurer shall provide the policy terms which show that risk of fire is excluded from the policy. If the CSI accepts the insurer's calculation of fire premium, and in subsequent years the calculation and policy terms remain the same, the insurer is not required to provide such policy terms to the CSI.

(3) If a rider, schedule, or addition to a policy:

(a) exclusively includes risk of fire, then all premium collected under such rider, schedule, or addition must be included in the fire line of business at 100% fire premium; or

(b) includes risk of fire as well as other risks, then all premium collected under such rider, schedule, or addition must be included in the line of business of the policy.

Authorizing statute(s): 33-1-313, MCA

Implementing statute(s): 33-2-705, MCA

History: NEW, 2015 MAR p. 1043, Eff. 8/1/15; AMD, 2023 MAR p. 871, Eff. 8/26/23.