

COMMONWEALTH OF VIRGINIA

JACQUELINE K. CUNNINGHAM
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE



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May 15, 2012

TO: ALL INSURERS

RE: Upcoming Changes in the Collection of Insurance Premium License Taxes
2011 Virginia Acts of Assembly, Chapter 850
2012 Virginia Acts of Assembly, Chapter 584

Dear Sir or Madam:

As a result of legislation enacted by the Virginia General Assembly during its 2011 and 2012 legislative sessions, a number of changes in the processes and procedures associated with the collection of insurance premium license taxes will soon be implemented in Virginia. The purpose of this letter is to notify you of these upcoming changes, alert you to certain relevant key dates, and provide you with general resource information should you need further assistance or information relating to these changes.

Effective January 1, 2013, in accordance with the provisions of 2011 Senate Bill 1124, (2011 Virginia Acts of Assembly, Chapter 850), the collection of the insurance premium license tax will transition from the Bureau of Insurance to the Virginia Department of Taxation. Accordingly, quarterly estimated taxes will be filed with and paid to the Virginia Department of Taxation beginning with the first quarter estimate due on April 15, 2013. The Bureau of Insurance will collect the final annual tax report for the 2012 tax year on March 1, 2013.

The Bureau of Insurance will continue to collect the Assessment for the Maintenance of the Bureau of Insurance as well as all other special assessments. However, in accordance with 2012 Senate Bill 532, (2012 Virginia Acts of Assembly, Chapter 584), effective for the tax year beginning January 1, 2013, quarterly estimates of the Bureau of Insurance Maintenance Assessment will no longer be required.

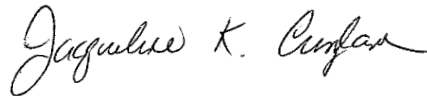
Further communication from the Virginia Department of Taxation concerning this transfer of collection process will be forthcoming. Please also refer to the Virginia Department of Taxation's website at:

<http://www.tax.virginia.gov/site.cfm?alias=InsuranceGuidelines>

Questions regarding this letter may also be directed to:

Keith Kelley
Principal Insurance Market Examiner
Taxation Unit, Agent Regulation & Administration Division
Bureau of Insurance
(804) 371- 9399

Cordially,

A handwritten signature in black ink, reading "Jacqueline K. Cunningham". The signature is written in a cursive style with a large initial 'J' and a long horizontal flourish at the end.

Jacqueline K. Cunningham
Commissioner of Insurance