

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

BULLETIN NO.: 14B-2014

TO: ALL TITLE INSURANCE AGENT AND INSURER LICENSEES,
TRADE ORGANIZATIONS, NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS, AND OTHER INTERESTED
PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: TITLE INSURANCE PREMIUM CALCULATION AND
REMITTANCE

Bulletin 14B-2014 hereby replaces Bulletin 14-2014.

The purpose of Bulletin 14B-2014 is to clarify the type and amount of premium reported for premium tax purposes. Arkansas Code Annotated § 26-57-603 requires all title insurers to file with this Department an annual report of total direct premium income. Title insurance premium is defined as “the funds paid to the title insurer and to an appointed title insurance agency as consideration for the amount of liability assumed by a title insurer under a title insurance policy, including all amounts retained by the title insurance agency pursuant to the title insurance agency's contract with the title insurer.” Ark. Code Ann. § 23-103-402(14)(A). For the sole purpose of determining the correct amount of premium tax due the State of Arkansas from a title insurance company, the “consideration for the amount of liability that is assumed by the title insurer under the title insurance policy” means the gross risk rate charged by the insurer (i.e. the “book” or “published” rate), which includes the portion retained by the agent as outlined in the agency agreement between the insurer and the agent.

Questions concerning this Bulletin may be directed to the Legal Division at (501) 371-2820 or by e-mail at insurance.legal@arkansas.gov.

A handwritten signature in black ink, appearing to read "Allen Kerr", written over a horizontal line.

ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

6-5-2015

DATE