Insurance Tax Section
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, AZ 85018-7269
Phone: (602) 364-3997
Web: https://insurance.az.gov

INDUSTRIAL INSURED PREMIUM RECEIPTS TAX REPORT
(ARS § 20-401.07)

INSTRUCTIONS FOR FORM E-II

WHO MUST FILE FORM E-II?

This report must include each insurance policy you procured from an unauthorized insurer for which Arizona is your "home state." Arizona is your home state when any of the following three situations applies:

1. Your principal place of business is in Arizona AND at least some of the property or risk covered by the insurance you procured is located in Arizona.
2. Your principal place of business is outside Arizona AND none of the property or risk covered by the insurance you procured is located in the state where your principal place of business is located AND Arizona is where the greatest percentage of your taxable premium is allocated for the insurance contact.
3. You are reporting on behalf of an affiliated group of insureds named on a single insurance contract procured from an unauthorized insurer and the member of the affiliated group with the largest percentage of premium attributed to it under the insurance contract has its principal place of business in Arizona.

If none of the foregoing situations apply to any of the insurance policies you procured, do not file a report or pay a tax to Arizona.

HOW IS THE TAX CALCULATED?

For each insurance policy for which Arizona is your home state, you must pay the 3% tax on ALL (100%) of the premium, regardless of the portion of the premium that applies to risk or property within Arizona. For informational purposes only, Form E-II asks you to report the percentage of premium allocable to property/risk located in Arizona.

WHERE DO I SEND MY COMPLETED REPORT AND TAX PAYMENT?

INSURANCE TAX SECTION
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, AZ 85018-7269

WHEN IS THE COMPLETED REPORT AND TAX PAYMENT DUE?

- **August 15** for all transactions effective January 1 through June 30
- **February 15** for all transactions effective July 1 through December 31

When submitting your tax report, please do not submit this instruction page.

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for the period of
1/1 - 6/30 **2016**

☑ **Original Filing** ☐ **Amended Filing**

FILE SEMIANNUALLY ►by 8/15 for 1/1-6/30 premiums, and **►by 2/15** for 7/1-12/31 premiums.

SECTION A: CONTACT INFORMATION			**TAX UNIT:II#-**	
Complete Name of Insured			FEIN	
Insured's Principal Address		City	State	ZIP Code
Preparer's Name		Preparer's Title		
Preparer's Phone Number	Preparer's E-mail Address			

SECTION B: TAX AMOUNT DUE		**TAX UNIT: C/L/U/N-U, NAIC-5499, Period- TransType-**
B1	Sum of PREMIUM AMOUNTS from Section E, Box E9a	II
B2	**Tax due = Line B1 X 3%**. Make payment out to **AZ Dept of Insurance**.	**$0.00** Ø8
B3	Sum of [premium amount times "% in AZ"] from Section E, Box E9c (for Tax Unit use only - not used to calculate tax)	AZ $0.00

SECTION C: INDUSTRIAL INSURED QUALIFICATIONS. Answers to the following questions determine if you meet qualifications to be an industrial insured. New qualifications became effective January 1, 2015. If you do not meet the new qualifications, you must file this report and cease procuring insurance directly from non-admitted insurers. You may use an Arizona-licensed surplus lines broker for insurance from non-admitted insurers.

C1	During the most recently ended fiscal year, did the insured apply for or procure property and/or casualty insurance to cover risks or operations in Arizona other than for risks excluded by ARS § 20-382 with annual gross premiums totaling at least $100,000?	☐Yes ☐No
C2	As of the end of the most recent fiscal year, did the insured possess a net worth of at least $22,040,000 as verified by a certified public accountant?	☐Yes ☐No
C3	During the most recently ended fiscal year, did the insured have net revenues or sales exceeding $50,000,000 as verified by a CPA?	☐Yes ☐No
C4	Does the insured have more than 500 full-time employees or equivalent?	☐Yes ☐No
C5	Is the insured a member of an affiliated group employing more than 1,000 full-time employees in the aggregate?	☐Yes ☐No
C6	Is the insured a municipality with a population of over 50,000 persons?	☐Yes ☐No
C7	Is the insured a nonprofit organization or public entity with annual budgeted expenditures of at least $33,060,000?	☐Yes ☐No

If you answered "No" to C1, or if you answered "No" to all questions in C2 through C7, you do not qualify as an industrial insured. File this report but cease procuring insurance directly from non-admitted insurers.

Complete Name of Insured

SECTION D: QUALIFIED RISK MANAGER. Indicate which of the following federal and state qualifications your risk manager satisfies. If "**None**," you must cease procuring insurance directly from non-admitted insurers.

☐ 10 years of relevant experience (Line D10). ☐ None.

☐ 7 years of relevant experience (Line D10) AND at least one relevant professional designation (Lines D5 - D9).

☐ A bachelor's degree from an accredited college/university in risk management, business administration, finance, economics or another field determined by the director of insurance to demonstrate competence in risk management AND EITHER:

- 3 years of relevant experience (Line D10) OR
- At least one relevant professional designation (Lines D5 - D9).

☐ A graduate degree from an accredited college/university in risk management, business administration, finance, economics or another field determined by the director of insurance to demonstrate competence in risk management (Line D4).

D1 - Last Name	First Name	Middle Name	Jr./Sr./II/III/etc.

D2 Relationship of qualified risk manager to the insured

☐ Employee ☐ Third-party consultant

D3	Major/field for bachelor's degree:	College/university:	Graduation mo/yr
D4	Major/field for graduate degree:	College/university:	Graduation mo/yr
D5	Does the risk manager hold a designation as a Chartered Property and Casualty Underwriter issued by the American Institute for CPCU/Insurance Institute of America?		☐Yes ☐No
D6	Does the risk manager hold a designation as an Associate in Risk Management issued by the American Institute for CPCU/Insurance Institute of America?		☐Yes ☐No
D7	Does the risk manager hold a designation as Certified Risk Manager issued by the National Alliance for Insurance Education & Research?		☐Yes ☐No
D8	Does the risk manager hold a designation as a RIMS Fellow issued by the Global Risk Management Institute?		☐Yes ☐No
D9	Does the risk manager hold any other designation, certification or license that shows the risk manager possesses competency to act as the insured's risk manager? If "Yes," describe below: _____		☐Yes ☐No

D10 In this section, report the risk manager's relevant experience during the past 10 years. For each job, use the "Code" column to identify whether the experience involved **[A]** risk financing, **[B]** claims administration, **[C]** loss prevention, **[D]** risk and insurance coverage analysis, or **[E]** purchasing commercial lines of insurance. Provide additional signed and dated sheets if necessary.

Code	Name of Employer	Job Title	Start (mm/yy)	End (mm/yy)

Complete Name of Insured

SECTION E: INSURANCE PROCURED FROM NON-ADMITTED INSURERS. When Arizona is the "home state," you must pay tax on all premiums (regardless of the portion allocable to risks or property in Arizona) for insurance you procure from non-admitted insurers. Post information from E1 through E8 into E9.

Arizona is the home state for a insurance policy when **ANY** of the following three circumstances applies:

1. The insured's principal place of business is in Arizona *and* at least some of the property or risk covered by the insurance is located in Arizona.

2. The insured's principal place of business is outside Arizona and both,

a. None of the property or risk covered by the insurance is located in the state where the insured's principal place of business is located AND

b. Arizona is where the greatest percentage of the insured's taxable premium is allocated for the insurance contract.

3. More than one insured from an affiliated group are named insureds on a single non-admitted insurance contract and the member of the affiliated group with the largest percentage of premium attributed to it under the insurance contract has its principal place of business in Arizona.

DO NOT SUBMIT THIS INDUSTRIAL INSUREDS PREMIUM TAX REPORT (FORM E-II) IF YOU DID NOT PROCURE INSURANCE FOR WHICH ARIZONA IS THE HOME STATE.

E1	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Lloyd's Broker/Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	
E2	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Lloyd's Broker/Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	
E3	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Lloyd's Broker/Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	
E4	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Names of Lloyd's Broker and Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	
E5	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Lloyd's Broker/Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	

Complete Name of Insured						
E6	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Lloyd's Broker/Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	
E7	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Lloyd's Broker/Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	
E8	Policy Number	Coverage Start Date	Coverage Expiration		Date Premium Due/Paid	
	Full Name of Non-admitted Insurer or Lloyd's Broker/Syndicate				PREMIUM AMOUNT	
	Insurer's or Lloyd's Broker Address	City		State	Country	ZIP Code
	Type of Insurance	Property/Risk Covered by the Insurance			% of property/risk w/in AZ %	

If you procured more than 8 insurance policies for which Arizona is the home state, attach additional signed and dated pages containing the same information requested for each of the foregoing policies and attach a signed and dated sheet showing the calculation in E9 for all the policies you report.

E9

Line	[a] - PREMIUM AMOUNT	[b] - % of property/risk w/in AZ	[c] = [a] x [b]
E1	$0.00	0.00%	$0.00
E2	$0.00	0.00%	$0.00
E3	$0.00	0.00%	$0.00
E4	$0.00	0.00%	$0.00
E5	$0.00	0.00%	$0.00
E6	$0.00	0.00%	$0.00
E7	$0.00	0.00%	$0.00
E8	$0.00	0.00%	$0.00
COLUMN TOTALS	$0.00		$0.00
	E9a: Post Total of [a] to Section B, Line B1		**E9c:** Post Total of [c] to Section B, Line B3

SECTION F: CERTIFICATION OF INDUSTRIAL INSURED

By my signature, I hereby certify that I am authorized to act for the Insured, that all the information contained in this report has been verified, and that all the information in this report is true, correct and complete.

Signature	Date
Printed Name	Title