

OPTins "Scoop"

Quarterly Insight for States and Industry

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NRRA and OPTins. What Do the Changes Mean to You?

A recent hot topic throughout the industry involves changes in the surplus lines tax arena based on the federal Nonadmitted and Reinsurance Reform Act of 2009 (NRRA).

The OPTins team wants our surplus lines customers to have an uncomplicated filing experience. To that end, we have confirmed with all of the states accepting surplus lines filings that there will be *no change to the OPTins filing process at this time.*

As you might know, the NRRA extends exclusive home state authority for the collection of surplus lines premium taxes for nonadmitted insurance and encourages the states to join a compact or establish other procedures to allocate premium taxes among states.

If the home state has joined a compact or is

participating through other procedures, the state is responsible for collecting and remitting the portion of premium taxes attributable to exposures in other states. If the home state has not joined a compact, then that state is still subject to NRRA and may only require the collection of premium taxes as the home state. The NRRA does not mandate that a state join a particular compact, nor does it dictate that it join such an entity.

Currently, states have two alternative mechanisms for participating with other states on tax collection and allocation. Those are the Nonadmitted Insurance Multistate Agreement (NIMA) and the Surplus Lines Multistate Compliance Compact Commission (SLIMPACT). Additional discussions regarding allocation methodologies continue, which may make the collection and allocation methodologies of

these two groups more similar.

SLIMPACT is not yet operational as it requires 10 states to have legislation in effect. For NIMA, the chosen clearinghouse is not currently available. Therefore, all of the current OPTins states have agreed to continue to accept filings via OPTins and collect all taxes for which they are the home state at their current tax rate.

What does this mean to you, the filer? This means that you can continue to submit your surplus lines tax filings through OPTins. Be sure to read the State Instructions when creating your filing and confirm that you are using the forms built into OPTins. Some of the states have made changes to their forms in response to the NRRA.



The 411 on Forms



Most forms built into OPTins can be parsed. This means that the data entered in the fields can be extracted for reporting and auditing purposes.

If your company uses the TriTech Premium Pro software, the data automatically converts into a parsable format when submitted through OPTins. There is nothing else you, the filer, need to do.

If you are not a TriTech Premium Pro user, it is important that you use the forms built into OPTins and follow the instructions regarding completing the forms. Here are some tips:

- If you see a green checkmark icon next to the document name, this means it is a required form. When you see the green checkmark icon, you must follow these steps:
 - o Click on the paperclip icon to download the form to your computer.
 - o When the form opens, choose "File," "Save As," and save the form to your computer.
 - o Once you've saved the form to your computer, complete the form and save it again.
 - o Go back into your OPTins filing and click on the "Upload" link next to the required form to upload the completed form into OPTins.

- Read the State Instructions for an overview of any documents that can be scanned and then attached to the Supporting Documentation area. If it's indicated in the State Instructions, OPTins will allow you to upload a scanned document. If you attempt to upload any required document as indicated by the green checkmark icon and it is a scanned version, you will receive an error message.
- Complete EVERY field on a required document. The system will look for data in all fields and will generate an error message if a field is left empty. For example, referencing the New Hampshire Affidavit form, complete all fields per row, per producer. Do not extend down the column with data unless the data relates to a separate producer.

If a required form asks for a signature, an electronic signature must be used. Filers can create their personal electronic signature (digital ID) using Adobe Acrobat. If you are unsure how to create an electronic signature, please refer to the article "Signed, Sealed, Delivered ... No Pens Required" (below), the Help function in Adobe Acrobat, or the Adobe website. If you use a different PDF file producing software, please refer to its Help tips.

For additional information, please reference the [OPTins manual](#), or contact the OPTins Help Desk at optinshelp@naic.org or 816-783-8990.

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Signed, Sealed, Delivered ... No Pens Required!

OPTins supports the submission of both PDF and Microsoft Excel documents. As stated in "The 411 on Forms," the state required forms contain parsable fields; therefore, an OPTins user cannot successfully upload a version that has been printed, signed, and scanned.

When completing an Adobe PDF document with a signature field, use the electronic signature functionality by inserting your Adobe digital ID. If you haven't already created your digital ID in Adobe Acrobat, follow the instructions contained on the Adobe website (Adobe, 2011):

- Open Adobe Acrobat or Adobe Reader.
- In Acrobat, choose "Advanced" > "Security Settings."
- In Reader, choose "Document" > "Security Settings."
- Select "Digital IDs" on the left, and then click the "Add ID" button.
- Select "A New Digital ID I Want To Create Now," and click "Next."
- Specify where to store the digital ID, and click "Next."
- Type a name, email address and other personal information for your digital ID. When you certify or sign a document, the name



appears in the Signatures panel and in the Signature field.

- (Optional) To use unicode values for extended characters, select "Enable Unicode Support," and then specify unicode values in the appropriate boxes.
- Choose an option from the Key Algorithm menu. The 2048-bit RSA option offers more security than 1024-bit RSA, but 1024-bit RSA is more universally compatible.
- From the "Use Digital ID For" menu, choose whether you want to use the digital ID for signatures, data encryption, or both. Click "Finish."

Once your electronic signature has been created, it can be easily inserted into an Adobe PDF document. Just click in the signature field and the "Sign Document" pop-up menu will appear.

Adobe. (2011). Create a new Digital ID. Retrieved November 9, 2011, from Adobe Acrobat 9 Standard: http://help.adobe.com/en_US/Acrobat/9.0/Standard/WS58a04a822e3e50102bd615109794195ff-7d92.w.html

Three New States Join OPTins!

We love to report when the states show their support for OPTins, and this month we have three new states to announce!

Filers can begin submitting premium tax filings to **Nebraska** in time for their 2012 first quarter due date. **Idaho** will soon begin accepting premium tax and surplus lines filings and will be up and running in time for their 2011 annual filing due date. And, finally, filers submitting premium taxes to **Tennessee** can do so through OPTins as of their 2011 annual due date.

As a reminder, once you've implemented and are using OPTins, you can automatically file in all of the states for all available filing types as they come on board. That means when you receive state notification that you need file through OPTins, you can simply log in, create and submit your filing. It's that easy!

Keep an eye on the [state participation page](#) for a complete list of all active and licensed states.

Save Time and Schedule Your Filing!

Everyone wants to save time, right? Instead of marking your calendar to log in to OPTins and submit your filings before their due date, why not schedule your filings to be submitted automatically?

Simply create your filing, choose the date to be submitted in the calendar field and click "Submit." OPTins will automatically submit your filing on the requested date.

Keep in mind; you must have the Schedule Filings role in order to schedule filings, but it's easy to get the role. Just ask the person on your account with the User Admin role to submit a "Request User Update" form to the OPTins Help Desk, adding the Schedule Filings role to your ID.

For more information about the Schedule Filings feature, review the [OPTins Manual](#).



E-File through TriTech

Attention TriTech customers! Did you know that you can submit your forms and payment to OPTins participating states by clicking the "E-File with OPTins" button in Premium Pro?

If you are a TriTech Premium Pro customer and haven't already submitted a filing with the E-File interface, simply contact the OPTins Marketing Team with your TriTech Account Number and we will update your account in OPTins.



Once this information has been updated, you can log directly into Premium Pro, create your forms and click on the "E-File with OPTins" button. This will take you into the OPTins system, so you can enter the tax payment due and submit your payment and form securely and simultaneously to the state. It's that easy!

If you're not sure whether your company is set up to file through the E-File interface, contact the [OPTins Marketing Team](#) or call 816-783-8787.

The OPTins Help Desk is available 8am - 5pm Central Time, Monday through Friday. Reach the Help Desk at 816-783-8990 or optinshelp@naic.org.