

2011 Nonadmitted Insurance Tax Return

570

Amended

Select calendar quarter during which the taxable insurance contract(s) took effect or was renewed. See What's New instructions.

Period ending: March 31 June 30 September 30 (July 1 - July 20 only)

Part I Policyholder

Business name, SSN or ITIN, FEIN, CA Corp. no., SOS file no., First name, Initial, Last name, DBA, Address, City, State, ZIP Code, Telephone number, Apt. no./Ste. no.

Part II Tax Computation

Table with 15 rows for tax computation: 1 Premiums paid or to be paid on risks located entirely within California... 15 Refund. Subtract line 14 from line 13

Check entity type:

Corporation Partnership Limited Liability Company Limited Liability Partnership Individual Other (specify)

Insurance Contracts - Enter the following information for each contract. If more than one contract, enter the information on Side 2. PRINT CLEARLY

Table with 3 columns: Policy Number, Name of each Nonadmitted Insurance Company, Type of Insurance Coverage

If you are an agent or broker with a valid power of attorney authorizing you to file this return on behalf of the insured, enter the following information:

Business Name, Business Address, Contact Person's Name, Contact Person's Phone

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

Print or type elected officer or authorized person's name, Elected officer or authorized person's signature, Date, May the FTB discuss this return with the preparer shown below (see instructions)?

Paid Preparer's Use Only

Print or type preparer's name, Preparer's signature, Business name (or yours, if self-employed) and address, Check if self-employed, Date, Telephone No., Preparer's SSN/PTIN, Preparer's FEIN



# Instructions for Form 570

## Nonadmitted Insurance Tax Return

References in these instructions are to the California Revenue and Taxation Code (R&TC) and the California Insurance Code.

### What's New

Assembly Bill 315 which became effective July 21, 2011, conforms California law to the Nonadmitted and Reinsurance Reform Act that is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, enacted last year by the federal government and authorizes the collection of tax on 100 percent of the premiums of California home state insured policies. It defines a "home state insured" as an insured or applicant that has its principal place of business in the state, or, if an individual, has his or her principal place of residence in this state.

Use Form 570 to determine the tax on premiums paid or to be paid to nonadmitted insurers on contracts covering risks in California, up to July 20, 2011.

After July 20, 2011, use new Form 570-A to determine the tax on gross premiums paid or to be paid on all California home state insured.

### General Information

**Round Cents to Dollars** – Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25. If you do not round, the Franchise Tax Board (FTB) will disregard the cents.

**Private Mail Box (PMB)** – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

**Foreign Address** – Enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country's name.

### A Purpose

Use Form 570, Nonadmitted Insurance Tax Return, to determine the tax on premiums paid or to be paid to nonadmitted insurers on contracts covering risks in California. Also, use Form 570 to file an amended return. See Section E, Amended Returns, for more information.

### B Who Must Pay Nonadmitted Insurance Tax

The tax is imposed on any corporation, partnership, limited liability company, individual, society, association, organization, governmental or quasi-governmental entity, joint stock company, estate or trust, receiver, trustee, assignee, referee, or any other person acting in a fiduciary capacity who independently purchases or renews an insurance contract during the calendar quarter from an insurer, including wholly-owned subsidiaries, not authorized to transact business in California.

If you do not know if the insurer is authorized to conduct business in California, call the FTB Nonadmitted Insurance Desk at 916.845.4098.

The tax will **not** be imposed on any of the following:

- Insurance coverage for which a tax on the gross premium is due or has been paid by surplus line brokers pursuant to Insurance Code Section 1775.5 (surplus lines tax).
- Gross premiums on businesses governed by provisions of Insurance Code Section 1760.5 (reinsurance of the liability of an admitted insurer and marine, aircraft, and interstate railroad insurance).
- Insurance coverage for which a tax on the gross premium is due or has been paid by risk retention groups pursuant to Insurance Code Section 132.

Agents or brokers with a valid power of attorney to file a return on behalf of the insured must enter the requested information in the space below line 15.

### C Tax Rate

The tax rate is three percent (.03). This rate is applied to the gross premium paid or to be paid, less premiums returned because of cancellation or reduction of premium on which a tax has been paid. **Do not include a stamping fee.**

### D When and Where to File

File Form 570 on or before the first day of the third month following the close of any calendar quarter during which a nonadmitted insurance contract took effect or was renewed:

Contract effective date	Return due date
January-March	June 1
April-June	September 1
July 1-July 20	December 1

Mail Form 570 and payment to:

**FRANCHISE TAX BOARD**  
**PO BOX 942867**  
**SACRAMENTO CA 94267-0651**

### E Amended Returns

Use Form 570 to file an amended return. File an amended return to correct an error on the original return or to claim a refund.

Check the "Amended" box at the top of the form. Attach a copy of the original return behind the amended return and write "copy" in red across the face of the original return. When completing line 1 through line 15 of the amended return, use the amounts that should have been reported on the original return.

Amended returns must be filed within four years of the original due date or within one year from the date of the overpayment, whichever period expires later.

**Do not** file an amended return to claim returned premiums. See the Specific Line Instructions for line 5.

### F Third Party Designee

If the entity wants to allow the FTB to discuss its 2011 return with the paid preparer who signed it, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer's Use Only" section of the return. It does not apply to the business, if any, shown in that section.

If the "Yes" box is checked, the entity is authorizing the FTB to call the paid preparer to answer any questions that may arise during the processing of its return. The entity is also authorizing the paid preparer to:

- Give the FTB any information that is missing from the return.
- Call the FTB for information about the processing of the return or the status of any related refund or payments.
- Respond to certain FTB notices about math errors, offsets, and return preparation.
- The entity is not authorizing the paid preparer to receive any refund check, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the FTB.

The authorization will automatically end no later than the due date (without regard to extensions) for filing the entity's 2012 tax return. If the entity wants to expand the paid preparer's authorization, get form FTB 3520, Power of Attorney Declaration for the Franchise Tax Board. If the entity wants to revoke the authorization before it ends, notify the FTB in writing or call 800.852.5711.

### Specific Instructions

#### Part I

Enter the business or individual policy holder name, Doing Business As (DBA), if applicable, address, and identification number. Print all information using CAPITAL LETTERS. If completing Form 570 by hand, enter all the information requested using black or blue ink.

#### Tax Computation

**Do not** show net or negative amounts on line 1 through line 4 to account for returned premiums. See line 5 for returned premiums. Only use line 1 through line 4 to report taxable premiums paid or to be paid during the calendar quarter.

**Line 1** – Enter premiums paid or to be paid to a nonadmitted insurer on risks located entirely within California for contracts entered into or renewed during the calendar quarter.

**Line 2a** – Enter the total premiums paid or to be paid on contracts covering risks located within and outside of California for contracts entered into or renewed during the calendar quarter.

**Line 2b** – Enter the amount of premiums on line 2a allocated to California. You must attach a schedule showing how you determined the allocation.

The amount of premiums allocated to California is determined by allocating to this state that proportion that the total premium on the insured properties or operations in this state, as computed on the exposure in this state on the basis of any single standard rating method in use in all states or countries where the insurance applies, bears to the total premium so computed in all states or countries in which that nonadmitted insurance may apply or, with prior approval of the FTB, any other reasonable basis.

Allocate each contract individually if more than one contract were entered into or renewed during the calendar quarter.

**Line 5** – Enter three percent (.03) of the premiums returned during the calendar quarter because of cancellation or reduction of premiums on which nonadmitted insurance tax was paid.

Enter the quarter that the returned premiums were originally taxed. If the returned premiums are from more than one quarter or policy, attach a schedule showing the amount of returned premiums from each quarter and/or policy.

Returned premiums must be claimed on a return for the calendar quarter during which the returned premiums were received. Refunds resulting from returned premiums must be claimed within four years from the date of cancellation or reduction of premium.

If you are an agent or broker filing this return on behalf of the insured, the refund will be mailed to you in the name of the insured if a signed Power of Attorney is on file allowing the FTB to do so.

**Line 7** – Enter any payments made before filing the return. If the return is being filed after the due date, see the instructions for line 10.

**Line 9** – If the amount on line 4 is more than the amount on line 8, subtract line 8 from line 4 and enter the balance on line 9, you have tax due. If the amount on line 8 is more than the amount on line 4, subtract line 4 from line 8 and enter the result in brackets on line 9, your credits exceed your tax.

**Line 10** – If you do not pay the tax due by the due date, a penalty of 10% of the amount of tax due will be imposed. Enter 10% of the amount of tax not paid by the due date. (A penalty of 25% of the amount of tax due will be imposed when nonpayment or late payment is due to fraud.)

**Line 11** – Interest will be charged on any late payment and penalty from the due date to the date paid. Interest compounds daily and the interest rate is adjusted twice a year. If you do not include interest with your late payment or include only a portion of it, the FTB will compute the interest and bill you for it.

**Line 12** – Enter the total amount due. Make your check or money order payable to the "Franchise Tax Board." Be sure to write the calendar quarter (March, June, September, or December), the applicable taxable year, Form 570, and your social security number, individual taxpayer identification number, California corporation number, FEIN, or SOS file no. on the check or money order. **Check the EFT box if you made your payment by EFT.**

**Line 14** – Enter the amount of overpayment to be credited to your next return.

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## Additional Information

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You can download, view, and print California tax forms and publications at [ftb.ca.gov](http://ftb.ca.gov).

If you have questions, contact:  
FTB Nonadmitted Insurance Desk at 916.845.4098 or call the Withholding Services and Compliance automated number at **888.792.4900**.

OR write to:

WITHHOLDING SERVICES AND  
COMPLIANCE MS F182  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

OR

TAX FORMS REQUEST UNIT MS F284  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

For all other questions unrelated to withholding or to access the TTY/TDD numbers, see the information below.

### Internet and Telephone Assistance

Website: [ftb.ca.gov](http://ftb.ca.gov)  
Telephone: 800.852.5711 from within the United States  
916.845.6500 from outside the United States  
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

### Asistencia Por Internet y Teléfono

Sitio web: [ftb.ca.gov](http://ftb.ca.gov)  
Teléfono: 800.852.5711 dentro de los Estados Unidos  
916.845.6500 fuera de los Estados Unidos  
TTY/TDD: 800.822.6268 personas con discapacidades auditivas y del habla