



Department of Consumer and Business Services
Division of Financial Regulation
P.O. Box 14480, Salem, OR 97309-0405
350 Winter St. NE, Salem, Oregon 97301-3883
Phone: 503-947-7982, Fax: 503-378-4351
Email: web.inscomp@oregon.gov
insurance.oregon.gov

**Ocean Marine Report
by Foreign or
Alien Insurers**

INSTRUCTIONS

General Instructions

Filing due dates

Continuation of Certificate of Authority	April 1
Oregon Insurance Tax Return	April 1
Ocean Marine Tax Report	June 15

Postmarks will be accepted as being filed by the due date.

Address corrections

Mark the box for a name or address change. Be sure to list the contact person, his or her phone number, and e-mail address.

Payments and refunds

Make your check payable to the Department of Consumer and Business Services. If an amended return results in a refund, please mark that clearly.

Extensions of time to file

The Division of Financial Regulation does not grant extensions; tax forms are due by the filing due date even if the federal income tax or Oregon excise tax returns are extended.

Filling out the Ocean Marine Tax Report

- Line 1** List the total "net OM premiums earned" in Column (1) and list the net premiums earned that were written outside the U.S. in Column (2). Column (3) should be Column (1) minus Column (2).
- Line 2** List the "net losses incurred" in the same way as Line 1.
- Line 3** List the "expenses incurred" in the same way as Line 1. NOTE: Column (3) shall not exceed 40 percent of Line 9, Column (3). That is, expenses incurred within the U.S. shall not exceed 40 percent of the current calendar year's gross OM premiums less return premiums written within the U.S.
- Line 4** Calculate this Line by subtracting Lines 2 and 3 from Line 1. Do this in each column. Remember to attach a reconciliation for **any amounts in Column (1) that differ from amounts in the Insurance Expense Exhibit in the Annual Statement.**
- Line 7** Add Lines 4, 5, and 6 to get the amount on Line 7.
- Line 8** To calculate the average underwriting profit, divide Line 7 by 3.
- Line 9** List the gross ocean marine premium less return premiums, written within the U.S. Column (1) should be the second preceding year. That means that Column (1) should be for calendar year 2007. Column (2) should be for 2008 and Column (3) should be for 2009 (the current year). Column 4 is the total of these three years.
- Line 10** The same as Line 9 but use the premiums written within Oregon. **This should match your Oregon state page.**
- Line 11** Divide the total Oregon premiums by the total U.S. premiums [that is, Line 10, Column (4) divided by Line 9, Column (4)].
- Line 12** Calculate the Oregon proportion by multiplying Line 11 by Line 8.
- Line 13** Calculate the Oregon ocean marine tax by multiplying Line 12 by 5 percent. Do not list a negative number; enter zero instead. Negative premiums do not produce a tax credit or a tax refund.
- Line 14** If your domicile state charges a larger fee for ocean marine premiums, use the domicile state's laws and recalculate the amount on Line 13. You may have to go back to the beginning of the form and recalculate each line depending on your domicile state's laws.
- For example, if your domicile state charges 6 percent on a three-year average of underwriting profit, you would use 6 percent instead of 5 percent on Line 13. Then compare the two taxes. If the domiciliary state's charge is higher, calculate the difference and list it on Line 14. Furnish details of your calculation. Do not enter a negative number. If your domicile state would charge less than Oregon, enter zero on Line 14.

Another example: Suppose your domicile state charges all ocean marine carriers 5 percent of a three-year average of underwriting profit (same as Oregon) PLUS a fixed charge of \$2,000. You would add \$2,000 on Line 14 and add Lines 13 and 14 to get Line 15. Your tax to Oregon now would be equal to what your home state would charge an Oregon company.

Page 2

This page can be printed on the back of page 1 or can be included as a separate page 2. Please staple the pages together if you use two sheets of paper. Please use only 8½-inch by 11-inch paper.

Affidavit

The affidavit on page 2 needs to be signed by two employees, **one of whom must be a corporate officer**. The affidavit also must be notarized.

Questions

Can I use forms generated by a software program?

The Division of Financial Regulation will accept forms generated from computer software programs **only if** forms are *exactly* like the originals in content and appearance (including Oregon certificate of authority number and company address) and forms are accompanied by an **affidavit** signed by an officer of the company stating the forms are a true and exact copy of the original forms provided by the division. Tax forms may be submitted on single-sided or double-sided paper. Please use only 8½-inch by 11-inch paper.

Does my company have to file this report if we have authority in Oregon to sell “marine and transportation” premiums?

If your company has written ocean marine premiums (also called marine and transportation premiums) IN OREGON during the tax year, then you have to file this form. If your company is authorized for marine and transportation but has written no premiums in Oregon during the current or last three tax years, then you do not have to file this form. ORS 731.828 states that “*each insurer transacting wet marine and transportation insurance in this state shall file annually...*” If you are not transacting this kind of insurance, you do not have to file this form.

Where can I learn more about the “expenses incurred” that are listed on Line 3?

Oregon Revised Statute 731.824 (5) describes these expenses in more detail. The insurance statutes are available on our Web site, insurance.oregon.gov, or you can go to the Oregon Web site, www.oregon.gov, to access the entire Oregon Revised Statutes.

Can we list ocean marine premiums based on a “pooling arrangement”?

No. The direct writer of the Oregon premiums must list the gross premiums. The premiums may be ceded to a pool, but the insurer that originally wrote the premiums must list them on its tax report and pay the tax.

What if we made an error on last year’s premiums? What if the change results in a refund?

You may file an amended return for any of the past five calendar years. So in 2015, you may amend any of the tax reports back to calendar year 2010. Use the blank forms, which are available on our Web site, insurance.oregon.gov, and enter the year or you may make a copy of the original return. List the correct premiums and indicate the refund desired. If the company owes more than was originally paid, include a check with the difference in tax plus interest of 0.667 percent per month or fraction of a month.

Remit with payment to:

Fiscal Services Section
Oregon Department of Consumer and Business Services
P.O. Box 14610
Salem, OR 97309-0445

If you have questions, contact:

Gail McFarlin, Insurance Tax Analyst
503-947-7218
gail.l.mcfarlin@oregon.gov

Visit our website for copies of the instructions or blank forms:

insurance.oregon.gov

Special instructions for users of the Microsoft Excel version of this form:

Cells for entry of your data are outlined in black and filled with blue. Cells that contain calculation formulae are outlined in black with no fill color.

Because it requires a signature, the Ocean Marine Report by Foreign or Alien Insurers form must be printed out and mailed to the Division of Financial Regulation at the address at the top of this form.



Department of Consumer and Business Services
Division of Financial Regulation
 P.O. Box 14480, Salem, OR 97309-0405
 350 Winter St. NE, Salem, Oregon 97301-3883
 Phone: 503-947-7982, Fax: 503-378-4351
 Email: web.inscomp@oregon.gov
 insurance.oregon.gov

Remit with payment to:
 Fiscal Services Section
 Oregon Department of Consumer and
 Business Services
 P.O. Box 14610, Salem, OR 97309-0445

**Ocean Marine Report
 by Foreign or
 Alien Insurers**

For calendar year ending Dec. 31, 20

Name			State of domicile
			Certificate of authority number
Mailing address			NAIC number
City	State	ZIP code	Federal employer ID number
Contact person	Phone number		Email

Name or address change

This is an **amended return**

	Ocean Marine Insurance Business - current calendar year			
	Total (1)	Written outside United States (2)	Written within United States (1)-(2) (3)	
1. Net premiums earned				
2. Net losses incurred				
3. Expenses incurred. Column (3) shall not exceed 40 percent of Line 9, Column (3).				
4. Underwriting profit, current calendar year. Line 1 minus Lines 2 and 3.				
Attach reconciliation for any amounts in Column (1) that differ from amounts in Insurance Expense Exhibit.				
5. Underwriting profit, last preceding calendar year, U.S. business				
6. Underwriting profit, second preceding calendar year, U.S. business				
7. Total underwriting profit, preceding three calendar years, U.S. business. Sum of Lines 4, 5, and 6.				
8. Average annual underwriting profit, preceding three calendar years, U.S. business. 1/3 of Line 7.				
	Calendar year(s)			
	Second preceding (1)	Last preceding (2)	Current (3)	Preceding three (1) + (2) + (3) (4)
9. Gross premiums less return premiums, ocean marine insurance written within U.S.				
10. Gross premiums less return premiums, ocean marine insurance written within Oregon.				
11. Ratio of ocean marine premiums, Oregon to U.S. Line 10, Column (4) divided by Line 9, Column (4).				
12. Oregon proportion, average annual underwriting profit, preceding three calendar years. Line 11 times Line 8.				
13. Tax on Oregon ocean marine insurance underwriting profit. 5 percent of Line 12.				
14. Additional tax to equal domiciliary state basis. Furnish details of calculation. (If negative, enter zero.)				
15. Total taxes and fees due, sum of Lines 13 and 14.				

(44320 1151)



Enclose check payable to the Department of Consumer and Business Services

Affidavit

State of _____

County of _____

SS.

(Name, please print)

(Title)*

(Name, please print)

(Title)*

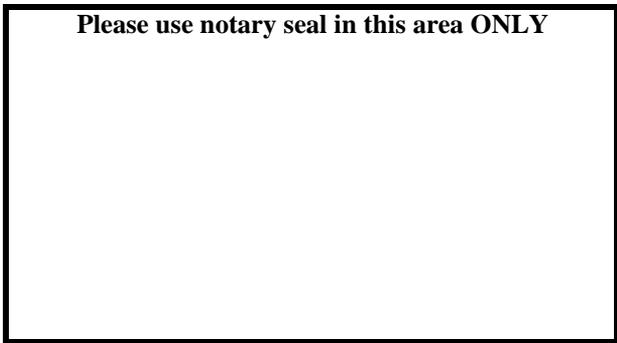
of the above named insurer, being duly sworn, each for himself/herself declares:

1. That he/she is familiar with the matters to which the above report refers;
2. That he/she is duly authorized to make, and does make, the following declaration on behalf of the insurer; and
3. That the above report is a full and true statement of the matters described therein, according to his/her best knowledge, information, and belief.

(Signature)

(Signature)

*At least one signatory must be an officer of the insurer.



Subscribed and sworn to before me this _____

day of _____, 20_____.

My commission expires: _____

(Notary signature)

Definitions

“Ocean marine insurance” means “wet marine and transportation insurance” as defined in the Oregon Insurance Code.

“Net premiums earned,” “net losses incurred,” and “expenses incurred” are as defined by the Fire and Casualty Annual Statement blank and the Insurance Expense Exhibit thereof.

Filing due dates

Continuation of Certificate of Authority

April 1

Oregon Insurance Tax Return

April 1

Ocean Marine Tax Report

June 15

Postmarks will be accepted as being filed by the due date.

Return completed forms to:

Fiscal Services Section

Oregon Department of Consumer and Business Services

P.O. Box 14610, Salem, OR 97309-0445

Extensions

The Division of Financial Regulation does not grant extensions; tax forms are due by the filing due date. The Oregon Insurance Tax Return cannot be extended even if the federal income tax or Oregon excise tax returns are extended.

Internet address:

insurance.oregon.gov

If you have questions, contact:

Gail McFarlin, Insurance Tax Analyst

503-947-7218

gail.l.mcfarlin@oregon.gov