

## 2014 Regulatory Surcharge Calculation

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### 2014 credit

Each year, the Regulatory Surcharge is calculated based on the annual operating costs of the agency as determined by legislative appropriation. Any cash balance at the end of a fiscal year, less an appropriate cash reserve, is carried forward and used to reduce future surcharges. This year, the excess fund balance is \$2.0 million. The regulatory surcharge rate remains the same as in 2010, 2011 and 2012, but the credit results in an overall lower net rate. For specific rate detail, please refer to the sections below.

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### About the regulatory surcharge

The annual cost of operating the Office of Insurance Commissioner is charged to all insurers, health maintenance organizations, health care service contractors, and multiple employer welfare arrangements authorized to do business in the State of Washington. The calculation is made using premium volumes reported on prior year tax forms, as detailed below. The minimum Surcharge is \$1,000.

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### Surcharge due date and payment

The Regulatory Surcharge is due and payable July 15 of each year. In the event that July 15 falls on a Saturday or Sunday, the next business day is the due date.

Access the Regulatory Surcharge using the **Make or View Payments** option after logging in to E-Tax. Payment options are to pay by check or by e-Check (ACH debit EFT).

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### Surcharge Calculation

#### HCSC & MEWA Health Companies

Surcharge rate: .09460%

Credit factor: .0069571404128%

**Net Regulatory Surcharge Rate: .0876428595872%**

From the Total Premiums reported on the previous year's tax form, subtract the following:

- Medicare Title XVIII
- General Assistance (Unemployable)
- Basic Health Plan (BHP) Subsidized Premiums
- Federal Employees Health Benefits Act Premiums

Multiply the result by the Net Regulatory Surcharge rate to determine the surcharge due. The minimum fee is \$1,000.

## Surcharge Calculation, continued

### HMO Health Companies

Surcharge rate: .09460%

Credit factor: .0069512506583%

**Net Regulatory Surcharge Rate: .0876487493417%**

From the Total Premiums reported on the previous year's tax form, subtract the following:

- Medicare Title XVIII
- General Assistance (Unemployable)
- Basic Health Plan (BHP) Subsidized Premiums
- Federal Employees Health Benefits Act Premiums

Multiply the result by the Net Regulatory Surcharge rate to determine the surcharge due. The minimum fee is \$1,000.

### Life/Disability Companies

Surcharge rate: .1100%

Credit factor: .0083757678224%

**Net Regulatory Surcharge Rate: .1016242321776%**

From the **Direct Premiums and Annuity Considerations** portion of the previous year's tax form:

Life Premiums

- + Annuity Considerations
- Direct Dividends to Policyholders
- + Accident & Health Premiums
- Accident & Health Dividends
- Federal Employees Health Benefits Act Premiums
- Medicare Title XVIII

then, from the **Exempt of Qualified Premiums** portion of the tax form:

- Qualified Life Premiums
- + Qualified Life Dividends
- Qualified Annuity Premiums
- + Qualified Annuity Dividends

then, from **Schedule A, Life Insurance Premiums:**

- AAFES Group Life Premiums

then, from **Schedule B, Accident and Health Premiums:**

- AAFES Group Accidental Death and Dismemberment Premiums

Multiply the result by the Net Regulatory Surcharge rate to determine the surcharge due. The minimum fee is \$1,000.

## Surcharge Calculation, continued

### Property/Casualty Companies

Surcharge rate: .1100%

Credit factor: .0083757678224%

**Net Regulatory Surcharge Rate: .1016242321776%**

From **Exhibit 1** of the previous year's tax form:

- Total All Lines of Business
- Multiple Peril Crop Premiums (Federally Funded)
  - Medicare Title XVIII
  - Federal Employees Health Benefits Act Premiums
- + Finance Charges
- Direct Dividends to Policyholders

Multiply the result by the Net Regulatory Surcharge rate to determine the surcharge due. The minimum fee is \$1,000.

### Title Insurers and Trusteed Alien Reinsurers

Surcharge rate: .1100%

Credit factor: .0083757678224%

**Net Regulatory Surcharge Rate: .1016242321776%**

From the previous year's tax form:

Direct Premiums multiplied by the Net Regulatory Surcharge rate to determine the surcharge due. The minimum fee is \$1,000.