



STAMPING FEE PAYMENT REQUIREMENTS

Below is information about the Surplus Lines Stamping Office of Texas (Stamping Office) process for stamping fee invoice/statement and stamping fee payment requirements. The statutory authority is set forth following the requirements.

★ Invoicing:

The Stamping Office creates a combination invoice/statement each month for stamping fees due from agents based on surplus lines policies processed. Processing closes for the month at 6:30 p.m. on the last day of the month. The following business day the combination invoice/statements are printed and then mailed to agents. The invoice/statement segregates current month activity from prior month's unpaid invoices.

★ Electronic Filing System (EFS) users:

Active registered EFS users that have completed testing have invoice/statement and policy detail available to them on the first day of each month for the month prior.

★ Payment terms:

1. Payments are due by the end of the month following the “processing month” and should not be more than 90 days past due. *Example: Invoices based on January's processing are due by the end of February.*
2. Payments should be accompanied by a remittance advice or at a minimum the agent name and license number. We require payments based on our invoices; checks received in advance of an invoice or that are unidentified are returned to the surplus lines agent.
3. Payments submitted must be for the **full amount** of an invoice for a month. Payments for less than the amount of an individual month's billing (short-paid invoices) are not accepted.

We recognize that there can be errors made during processing, either by the Stamping Office or by the surplus lines agent submitting policies for processing. These errors may result in an invoice being more than the expected amount. Please understand that we “close the books” for processing on the last day of the month and cannot go back and modify any posted amounts. Errors discovered after a processing month has been closed are corrected in a subsequent month. The Stamping Office corrects errors we make and errors made by agents are corrected by processing information submitted by the agent. If an agent short-pays an invoice because it is an over-billing due to errors, then correcting

information is processed in a subsequent month and the agent pays the full amount of that subsequent invoice, there is a possibility of a double credit.

It is not our practice to report delinquent payments to the Texas Department of Insurance until they are 90 days past due. We recommend that if agents desire, they may withhold payment for some period of time (less than 90 days) to assure themselves that a proper correction is made on a subsequent billing. When the agents are sure they have received the proper credit, then the full amount of the outstanding invoice should be paid. We stress that agents reconcile their batch edit reports in a timely manner so that errors can be discovered and corrected in the same month.

Payment Mailing Address:

Surplus Lines Stamping Office of Texas
Attn: Accounting
P.O. Box 160170
Austin, Texas 78716-0170

Surplus Lines Premium Tax:

The Stamping Office has no responsibility regarding the surplus lines tax. The Texas Comptroller of Public Accounts regulates the collection of this tax. The contact for questions related to the surplus lines premium tax is: Karen Snyder at (800) 531-5441 ext. 3-4074 or karen.snyder@cpa.state.tx.us.

Controlling Statutes and Rules:


The Surplus Lines Stamping Office of Texas was created by the 70th Legislature in 1987 to assist the Texas Department of Insurance and perform functions authorized in the Texas Insurance Code (TIC) and Texas Administrative Code (TAC). The Stamping Office was given certain powers and duties, one of which is collection of a stamping fee for the costs of operations of the office. *[TIC, Title 6, Chapter 981, Subchapter D, Section 981.154(b)(5)]*

Texas licensed surplus lines agents must comply with the Stamping Office's plan of operation. *[TIC, Title 6, Chapter 981, Subchapter E, Section 981.214]*

Surplus lines agents are subject to sanctions if they fail to properly collect and pay required taxes and stamping fees ...*[TAC Title 28, Chapter 15, Section 15.5(a)(4)]*

The Stamping Office plan of operation requires surplus lines agents to pay the fees as permitted by law and as required by the Stamping Office. *[TAC Title 28, Chapter 15, Section 15.101(e)(4)]*

Any surplus lines agent who is delinquent in the payment of stamping fees may be reported to the commissioner; provided, however, that any delinquency of more than 90 days shall be reported to the commissioner. *[TAC Title 28, Chapter 15, Section 15.101(e)(5)]*

 Questions? SLSOT Accounting Department (800) 449-6394 ext. 227
Email: info@slsot.org Website: www.slsot.org