



Dipårtamenton Kontribusion yan Adu'ána

DEPARTMENT OF

# REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guåhan

FELIX P. CAMACHO, Governor Maga'låhi  
MICHAEL W. CRUZ, MD, Lt. Governor Tiñente Gubetnadot

ARTEMIO B. ILAGAN, Director  
Direktot  
PAUL J. PABLO, Deputy Director  
Segundo Direktot

February 16, 2010

Re: **Renewal of Certificate of Authority**  
**July 1, 2010 to July 1, 2011**

Dear Sir:

Every insurance company that is licensed to transact insurance business in Guam is required to file on or before **April 1<sup>st</sup>** of each year its respective annual statement with the Commissioner.

“Every admitted domestic, foreign (domiciled in the United States), or alien (domiciled outside of the United States) insurer shall, on or before April 1 of each year, file with the Commissioner a financial statement, verified under oath, setting forth its financial condition, transactions and affairs as of the 31<sup>st</sup> day of December immediately preceding, in general form and context as approved by the National Association of Insurance Commissioners, plus any additional information required by the Commissioner.” (22 GCA §§15316(a); 15404; 15504.)

The Commissioner requires each insurer to file the following exhibits or information together with their respective Annual Statements:

- (a) Statutory Page, Direct Business in Guam;
- (b) Insurance and Expense Exhibit;
- (c) Property and Casualty companies are required to file two percent (2%) assessment fee on commercial and industrial liability premiums written on property and casualty risks located in Guam. This assessment fee is required to be paid on or before April 1 of each year;
- (d) Management's Discussion and analysis;
- (e) Statement of Actuarial Opinion signed by a member of American Academy of Actuaries; and
- (f) Risk-Based Capital Report (for domestic companies only).

All insurers that are currently licensed in Guam are required to file an application for the renewal of their Certificate of Authority **no later than June 1<sup>st</sup>** of each year and pay the required fee pursuant to §15110.

**§15104 Annual Renewal Certificate.** “Unless sooner revoked by the Commissioner, every certificate shall expire on the first day of July after its issuance, unless renewed annually as provided in this article, or extended by the Commissioner, for a period not exceeding sixty (60) days, for good cause.”



§15105 **Application.** “All insurers holding a current certificate shall annually, not later than June 1, file with the Commissioner an application for renewal together with the information required by this section:

- (a) A request for renewal of general agent’s license;
- (b) An affidavit setting forth that it has continued to comply with all applicable provisions of this Title;
- (c) Such other information as the Commissioner shall require by regulations or request specifically from the applicant.”

The following documents are required from an insurer by the Commissioner:

- (a) Renewal Application for Certificate of Authority (Form I-1);
- (b) Insurance Company’s Bond (Form I-3) or Deposit Agreement in Lieu of Bond (Form I-4); and
- (c) Tax Clearance Application Form.

An applicant is required to pay the following fees for the filing of an annual statement and application for renewal of certificate of authority. Please make all checks payable to the Treasurer of Guam.

§15110 – Fees. “(a). The Commissioner shall require the payment in advance of the following fees:

- ❖ Filing of application for renewal of certificate of authority, \$500.00
- ❖ Filing of application for issuance of certificate of authority after revocation or expiration, \$900.
- ❖ Filing of annual statement on or before April 1<sup>st</sup>, \$50.00. Penalty for failure to file annual statement after April 1<sup>st</sup>, \$500.00
- ❖ Filing of any other certificate, statement, paper or exhibit required by this Title, \$20.00

An applicant is also required to file an Annual Report with the Business License Branch of this Department between July 1 and September 1 of each year pursuant to 18 GCA §4304.

Finally, 11 GCA §70132 requires every person to secure a clearance from the Director of Revenue and Taxation that taxes due are paid before obtaining or renewing a business license. Your company is reminded that it is required to file:

- (a) Monthly Gross Receipts Tax Return.
- (b) Yearly Guam Corporate Tax using IRS Form 1120. In this IRS Tax Form 1120, an admitted insurer is required to report only income effectively connected with its business in Guam. In the event an insurer did not receive any income from Guam, file zero.



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For more information on online tax filings and tax forms, including Form GRT, please visit the Department's web site at <http://www.guamtax.com>.

A checklist for Renewal of Certificate of Authority, together with all forms listed in the checklist can be downloaded at [http://www.govguamdocs.com/revtax/index\\_revtax.htm](http://www.govguamdocs.com/revtax/index_revtax.htm).

Please provide an email address of company's Compliance Officer in charge of filing for Renewal Application for Certificate of Authority.

Sincerely,

**JOHN P. CAMACHO**  
**Banking & Insurance Commissioner**

*Apsc/121610*