



FORM INS-5
2005

MAINE REVENUE SERVICES
FIRE INVESTIGATION AND PREVENTION TAX
ANNUAL / RECONCILIATION RETURN



0531100

MRS Insurance Account Number

NAIC Company Code

Period Covered

Due Date

January 1- December 31, 2005

March 15, 2006

Name/Address:

CHECK ALL THAT APPLY:

Business Name (Line 1) _____
 Business Name (Line 2) _____
 Street Address and/or Post Office Box _____
 City _____ State _____ ZIP Code _____

- Initial return
 Amended return
 Final return
 Enter closing date: ___/___/___
 Made estimated payments during the year
 Change of name/address

COMPUTATION OF TAX ON FIRE PREMIUMS

1. Amount of premiums allocated to fire (See instructions)

A Line of Business	B Gross Premiums (Less Return Premiums and Premiums on Policies not Taken)	C Dividends Paid or Credited on Direct Business	D Total Net Taxable Premiums	E % of Premiums Allocated to Fire	F Amount of Premiums Allocated to Fire (column D x column E)
1a. Fire	\$ _____	\$ _____	\$ _____	100.00%	\$ _____, _____, _____ .00
1b. Inland Marine	\$ _____	\$ _____	\$ _____	15.00%	\$ _____, _____, _____ .00
1c. Aircraft Physical Damage	\$ _____	\$ _____	\$ _____	Actual	\$ _____, _____, _____ .00
Auto Physical Damage: Comprehensive – Full Coverage					
1d. Private	\$ _____	\$ _____	\$ _____	4.60%	\$ _____, _____, _____ .00
1e. Commercial	\$ _____	\$ _____	\$ _____	14.30%	\$ _____, _____, _____ .00
Comprehensive – All Deductibles:					
1f. Private	\$ _____	\$ _____	\$ _____	5.80%	\$ _____, _____, _____ .00
1g. Commercial	\$ _____	\$ _____	\$ _____	17.98%	\$ _____, _____, _____ .00
Fire and Theft:					
1h. Private	\$ _____	\$ _____	\$ _____	47.00%	\$ _____, _____, _____ .00
1i. Commercial	\$ _____	\$ _____	\$ _____	50.00%	\$ _____, _____, _____ .00
Fire, Theft and Miscellaneous:					
1j. Private	\$ _____	\$ _____	\$ _____	10.60%	\$ _____, _____, _____ .00
1k Commercial	\$ _____	\$ _____	\$ _____	42.90%	\$ _____, _____, _____ .00
1l. Home Owners Policies \$ _____	\$ _____	\$ _____	\$ _____	55.70%	\$ _____, _____, _____ .00
1m. Commercial Multiple Peril \$ _____	\$ _____	\$ _____	\$ _____	49.90%	\$ _____, _____, _____ .00
1n. Any Other Fire related \$ _____	\$ _____	\$ _____	\$ _____	Actual	\$ _____, _____, _____ .00
1o. Total amount of premiums allocated to fire				1o.	\$ _____, _____, _____ .00



MRS Insurance Account Number: _____

2.	Total amount of premiums allocated to fire (Enter amount from line 1)	2.	\$ _____ , _____ , _____	.00
3.	Tax liability (Line 2 Multiplied by 1.4% (0.014))	3.	\$ _____ , _____ , _____	.00
4.	Less Prior Payments	4.	\$ _____ , _____ , _____	.00
5.	Balance Due (If Line 3 is greater than Line 4, Line 3 minus Line 4)	5.	\$ _____ , _____ , _____	.00
6.	Overpayment to be refunded (If Line 4 is greater than Line 3, Line 4 minus Line 3)	6.	\$ _____ , _____ , _____	.00

AFFIDAVIT AND SIGNATURE

This return is made in compliance with the provisions of 25 M.R.S.A. § 2399. The amount of all GROSS DIRECT PREMIUMS or assessments for fire risks written by this insurer on risks located in, or received from risks resident of, the State of Maine during the year ending December 31, 2005 has been reported. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Date _____ Signature _____ Telephone # _____
 Must be signed by the President, Treasurer, Secretary, Chief Accounting Officer, or Attorney-in-fact of a Reciprocal Insurer.
 Preparer's
 Date _____ Signature _____ ID Number _____

INSTRUCTIONS

Premium amounts to be reported: A premium is an amount paid or payable for an insurance policy, including all fees, such as membership, policy, survey, inspection, service and finance fees, that are assessed by and paid to an insurance company in consideration for an insurance policy. The instructions below provide guidance to assist in the preparation of this return. However, accurate and full reporting of premium amounts, including any applicable fees, is the responsibility of each taxpayer.

Line 1. Amount of Premiums Allocated to Fire. Calculate the total amount of premiums allocated to fire by following Steps 1 and 2.

Step 1: Calculate the amount of premiums allocated to fire for each line of business identified in column A.

Column B. Enter the gross direct premiums written, less return premiums and premiums on policies not taken. Generally, gross direct premiums are reported on the Maine State Page of the NAIC Annual Statement, column 1 and related finance and service charges are reported on Schedule T, column 8 (Finance and Service Charges not Included in Premiums).

Column C. Enter dividends paid or credited to policyholders on direct premiums. Amounts entered must agree with column 3 of the Maine portion of your NAIC annual statement.

Column D. Subtract the column C amount from the column B amount and enter the result.

Column E. The percentages listed represent the ratio of fire losses to total losses based on historical data. An insurer who wishes to deviate from these percentages must clearly establish alternative ratios based on its own fire loss experience. The following procedures must be used to establish alternative fire ratios:

1. The alternative ratios must be based on the prior five-year average fire losses.

2. Complete the following steps to calculate the ratio for each product line on Form INS- 5:

- a. Calculate the five-year average of loss due to fire from claims associated with risks located in Maine
- b. Calculate the five-year average of total loss from claims associated with risks located in Maine.
- c. Divide a by b; this is the ratio to be used in Column E for this particular product line.
- d. A separate calculation must be made for each product line.
- e. In the case of affiliated insurance companies, a separate calculation must be made for each insurer.

3. Attach a computation to your return identifying loss due to fire and total loss by year for each of the five years used to calculate the five-year average.

Column F. Multiply the column D amount by the column E percentage and enter the result.

Step 2: Add column F amounts for each line of business and enter the sum on last line of Column F (Total amount of premiums allocated to fire).

Line 3. Tax Liability. Every fire insurance company or association that does business or collects premiums or assessments in Maine is required by statute to pay 1.4% of the gross direct premiums for fire risks written in Maine, less the amount of all direct return premiums and all dividends paid to policyholders on direct fire premiums.

Line 4. Less Prior Payments. Enter the total amount of monthly estimated payments already made in 2005.

Line 5. Balance Due. If the amount on line 3 is greater than the amount on line 4, enter the balance due. Payment must be submitted with this return. Late payments are subject to interest and penalties.

Line 6. Overpayment. If the amount on line 4 is greater than the amount on line 3, enter the overpayment amount. Overpayments will be refunded.

PAYMENT, INTEREST AND PENALTIES



Make check payable to : Treasurer, State of Maine
 Send return with check to: Maine Revenue Services, P.O.Box 9120, Augusta, ME 04332-9120

The interest rate for calendar year 2006 is 0.833% per month; 10% per year, compounded monthly. The penalty for failure to file a return is the greater of \$25 or 10% of the tax due. If the return is not filed within 30 days after the receipt of a demand notice to file, the penalty is 100% of the tax due. The penalty for failure to pay a tax liability on time is 1%, up to a maximum of 25%, of the outstanding liability.

Office use only _____