

**NEW HAMPSHIRE INSURANCE DEPARTMENT
21 SOUTH FRUIT STREET, SUITE 14
CONCORD, NEW HAMPSHIRE 03301**

Payment by Electronic Funds Transfers (EFT) (Credit instructions)

RSA 400-A:32-b Requires payment by electronic funds transfers in certain circumstances.

- III. When the insurer had a tax liability in the prior tax year of **\$20,000** or more, effective January 1, 2008.”

Tax Liability

The tax liability is the total premium taxes payable for the prior calendar year less the credit for NH Business Enterprise Tax, the credit for the Community Development Financing Authority, and the credit for the Health Insurance Guaranty Fund assessment levied under RSA 408-B.

This amount appears on the following page and line numbers of the tax return:

Life & Accident & Health companies	Page 3, Line 35
Medical companies	Page 3, Line 34
P&C and RRG	Page 3, Line 31
Title companies	Page 3, Line 15

Timely Payment

To be considered timely, the tax payment must be deposited **into the Insurance Department’s EFT bank account on or before** the legal payment due date. **Please note payment initiations may take more than a day or two to hit our account.**

Electronic Funds Transfer

ACH CREDIT

The department allows electronic funds transfers by the following ACH Credit methods:

CCD+NHID EFT CCD
CTX NHID EFT CTX
TXP NHID EFT CCD

NHID has no pre-authorization requirements for the ACH Credit method. Each company must make its own arrangements with a bank or servicing firm to process the transfers. The company is responsible for depositing the funds into the Insurance Department’s EFT account on or before the legal due date of the payment.

The further information about ACH, refer to the National Automated Clearing House Association website at [ACH Network | Nacha](#)

ACH DEBIT

The department no longer utilizes the ACH Debit method for payments.

WIRE TRANSFERS

Each company must make its own arrangements with a bank or servicing firm to process the transfers. The company is responsible for depositing the funds into the Insurance Department's EFT account on or before the legal due date of the payment.

FOR ACH Credit or Wire Transfer instructions, please e-mail: premiumtax@ins.nh.gov

Premium Tax Return

Companies participating in the EFT program **must also provide a hardcopy of the premium tax return to the department.** It is requested that these hardcopy forms be filed as soon as the completed forms are available, but not later than March 15th.

New Hampshire Insurance Department (NHID) EFT Account

Will be "Deposit Only" to the Zero Balance Account for the New Hampshire Insurance Department.

To Participate:

- Be licensed company or company group representative or surplus lines broker.
- Have software for Automated Clearing House (ACH) Format, including CTX record and addenda format ability. Or CCD+ record and addenda format ability.
- Have sent contact data to: premiumtax@ins.nh.gov Contact Name, the individual who represents the Company or Group, Mail Address / Daytime phone / Email Address.
- Please report any change in Contact Data as soon as possible by same method.
- We will send account and routing information by email mail separately.

WHAT PAYMENT METHODS ARE ALLOWED?

Current payment method accepted is the ACH Credit. Should an emergency arise which prevents a payment from being transmitted please call the Insurance Department at (603) 271- 2261.

WHEN DO I MAKE OR ORIGINATE A PAYMENT?

EFT does not change any existing requirements of New Hampshire state law. To be considered timely, your tax payment must be deposited into the state's bank account by the payment due dates. Each financial institution and the Federal Reserve have different processing deadlines. You must check with your financial institution to determine when you should originate your payment so that it will be deposited to the state's account by the required due date to avoid the imposition of penalties. It is generally recommended that the ACH Credit transaction be initiated two days prior to the effective date (due date) of the transaction. Because of timeliness requirements NHID strongly recommends testing.

AUTOMATED CLEARING HOUSE (ACH) CREDIT

WHAT IS THE ACH CREDIT OPTION?

The ACH Credit method allows you to transfer funds by instructing your financial institution (technically referred to as the "Originating Depository Financial Institution") to debit your account and to credit the state's bank account.

IS THERE A COST FOR ACH CREDIT?

You must pay the fees charged by your financial institution for any setup costs and for each ACH Credit transaction initiated.

ARE THERE SPECIFIC RECORD FORMATS?

In order to report your payment correctly, your financial institution must originate your payments using Cash Concentration of Disbursement (CCD) or Corporate Trade Exchange (CTX) format detail & addenda records. You should check with your financial institution to make sure it can transfer your tax payment using this record format.

HOW DO I MAKE OR ORIGINATE A PAYMENT?

Since your financial institution will transfer your payment, you should contact it for the specific procedures you should follow.

TESTING THE SYSTEM BEFORE MAKING A PAYMENT?

New Hampshire Insurance Department recommends a pre-notification (prenote) test to validate the state's bank transit number, bank account number and taxpayer information. All payers participating in this EFT program should complete a successful prenote test at least 10 calendar days prior to the due date of their first EFT payment. **Only one company per group need do a prenote test.**

WHAT IS A SUCCESSFUL PRENOTE TEST?

A successful prenote test means the Insurance Department's financial institution has received a .01 cent transaction that includes Record 5, Record 6, Record 7 and Record 8 error free. The prenote test should include all fields in each record. You will be notified of any errors in your prenote test and will be asked to send a prenote test until one is error free.

DO I NEED TO SEND A PRENOTE IF I MAKE A CHANGE TO MY BANK OR SOFTWARE?

New Hampshire recommends that you send a new prenote whenever you make a change to your account, financial institution, or software program.

HOW DO I MAKE CORRECTIONS?

If you make an ACH Credit payment and realize after the fact that a mistake has been made, you must contact your financial institution for its correction procedures. Also, please email premiumtax@ins.nh.gov.

HOW DO I VERIFY TIMELY PAYMENTS?

With the ACH Credit payment method, your financial institution will be responsible for verification of timeliness.

IS THERE ANY PROOF OF PAYMENT?

If proof of payment is required, it is the payer's responsibility to work with its financial institution to obtain verification that funds were transferred from the taxpayer's account into the state's account. Your bank can supply you with a trace number that it generates for the ACH network.

CAN I RECEIVE REFUNDS THROUGH EFT OR REVERSE A PAYMENT?

Refunds will not be issued electronically through the ACH network. No reversals will be allowed except in cases permitted by ACH rules and regulations.

WHAT INFORMATION IN EFT ASSURES OBLIGATIONS ARE CREDITED

NHID relies on information contained in the addendum records. Complying with NHID requirements on coding addendum facilitates credit of your account with minimum research.

Each EFT must contain the 5-digit NAIC Company Code, due date and amount to be properly allocated to the proper recipient.

ADMINISTRATION SCHEDULE

If a payment due date falls on a legal holiday or weekend, the tax payment must be received on the first business day after the holiday or weekend. If your financial institution is closed on a day that you wish to initiate your transfer, you must contact it one day prior to the observed holiday.

Financial institution holidays in other states may vary from New Hampshire holidays. **In some cases, specific banks may need 48 hours' notice to initiate your transaction.**

NH State Holiday Schedule:

New Year's Day	Labor Day
Civil Rights/M.L.K Birthday	Veteran's Day
Presidents' Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

RECORD FORMATS FOR ACH CREDIT CTX FORMAT

The following pages describe the data contained in the Company/Batch Header, CCD and CTX Entry Detail, Addendum, and Company/Batch Control Records (Records 5, 6, 7 and 8). For complete information on NACHA formats, specifications and definitions, please refer to the NACHA Rule Book. You may obtain a copy of the Rule Book from your financial institution or from the New England ACH Association at (617) 338-6370. A charge may be required.

RECORD 5 COMPANY BATCH HEADER FORMAT

Field	Position	Size	Contents	Data Element Name
1	1-1	1	"5" Record Type Code	
2	2-4	3	"200" Service Class Code	
3	S - 20	16	Alphanumeric Payer Name	
4	21-40	20	Alphanumeric Discretionary Data	
5	41 - 50	10	Alphanumeric Company ID Number	
6	51 - 53	3	"CTX" Standard Entry Class	
7	54 - 63	10	"PremiumTax" Company Entry Description (or "LicenseFee", "RateFee", "SERFF")	
8	64-69	6	YYMMDD Company Descriptive Date	
9	70 - 75	6	YYMMDD Effective Entry Date	
10	76 - 78	3	Blank Settlement Date	
10	79 - 79	1	"1" Originator Status code	
12	80 - 87	8	Alphanumeric Originating Bank Number	
13	88 - 94	7	Numeric Batch Number	

RECORD 5 COMPANY/BATCH HEADER FORMAT DEFINITIONS

Record Type Code - This entry will always be 5.

Service Class Code - This entry will always be 200.

Payer Name - This entry indicates the name of the payer who is making the payment.

Discretionary Data - This entry is optional. You may determine a code or description with your financial institution in order to identify a special transaction.

Company ID Number - This entry is a 10-character field that identifies the payer. The number in this field is determined by the payer or by the software used by the payer and its financial institution. The company ID number may be the company's bank account number that originated the transaction or a 10-digit number established by the taxpayer. It does not have to be the same as the payers FEIN.

Standard Entry Class - This entry will always be "CTX" (multiple addendum)

Company Entry Description - This entry is a 10-character field that describes the type of payment being made via EFT. The requested description to be used in this field is "PremiumTax" or "LicenseFee", "RateFee", "SERFF" Depending on what payment is for

Company Descriptive Date - This entry is an optional field for the taxpayer or its financial institution to use. The format is YYMMDD and is usually the same date as the effective date.

Effective Entry Date - This entry is a mandatory field that contains the date the payment is due using the format of YYMMDD. If your payment is due on March 15, 2009, then your entry would be 090315.

Settlement Date - This entry is a three character optional field that contains the Julian calendar day of the day the payment is received. This date is included in the batch header record only and is provided by the Federal Reserve. The payer does not have to enter anything in this field.

Originator Status Code - This entry will always be 1.

Originating Bank Number - This entry contains the originating financial institution's transit number.

Batch Number - This entry contains the batch number of the EFT payment that has been transmitted to the New Hampshire Insurance Department Financial Institution.

RECORD 6 ENTRY DETAIL FORMAT

Field	Position	Size	Contents	Data Element Name
1	1-1	1	6	Record Type Code
2	2-3	2		Numeric Transaction Code
3	4-11	8		Numeric Receiving Bank Number
4	12-12	1		Numeric Check Digit
5	13-29	17		Alphanumeric Receiving Bank Account Number
6	30 - 39	10	\$\$\$\$\$cc	Amount
7	40 - 54	15		Alphanumeric Payer ID Number
8	55 -58	4		Numeric Number of Addenda Records

9 59 - 74 16 Alphanumeric Receiver Identification
10 75 –76 2 Blank Reserved
11 77 – 78 2 Alpha Discretionary Data
12 79 - 79 1 Numeric Addenda Record Indicator
13 80-94 15 Numeric Trace Number

RECORD 6 ENTRY DETAIL FORMAT DEFINITIONS

Record Type Code - This entry will always be 6.

Transaction Code - This code indicates that the transaction is a credit, and whether it is a prenote or a payment.

Receiving Bank Number & Check Digit - This nine digit number identifies the financial institution that is receiving the payment for NHID. The Receiving Bank Transit Number will be supplied to you as part of the acceptance procedure for Electronic Funds Transfer via ACH by the NHID.

Receiving Bank Account Number - This entry will be supplied by NHID, it identifies the NHID bank account to which EFT payments will be sent.

Amount - This entry is the total payment amount to be posted to the recipient's account.

Payer ID Number - This entry is an alphanumeric field that uniquely identifies the taxpayer that sent the payment. This will be the NAIC Group code or Company Code of Payer. If payer is a third party we request an ID number from us. NHID will use this number to facilitate proper handling of your payment.

Payer Name - This entry indicates the name of the payer who is making the payment to the Receiving Bank Account Number in Field 5.

Discretionary Data - This entry is optional. You may determine a code with your financial institution in order to identify a special transaction.

Addenda Record Indicator - This entry should be a 1 for either a prenote test or a payment. If the 1 is not entered, then the addenda Record 7 is not transmitted.

Trace Number - This entry is a number put into the record by the originating/sending financial institution in order to trace the transaction through the system in case of error.

RECORD 7 CTX ADDENDUM FORMAT

Field	Position	Size	Contents	Data Element Name
1	1-1	1	7	Record type code
2	2-3	2	"05"	Addenda type code
3	4-83	80		Alphanumeric Payment related Info
4	84-87	4		Numeric Addenda Sequence Number
5	88-94	7		Numeric Entry Detail Sequence Number

RECORD 7 CTX ADDENDUM FORMAT DEFINITIONS

Record Type Code - This entry will always be "7".

Addenda Type Code - This entry will always be "05".

* Payment related Info: This will be used to capture Contact, Additional Payer data, and How to Allocate payment. (will be a minimum of three type 7 addendum records for actual payment and one type 7 addendum record for prenote)

Addenda Sequence Number - This number should be consecutively assigned to each special addenda record that follows a detail record and begins with a 1.

Detail Sequence Number-- This entry indicates the number of accounts included in the EFT transaction. It should be entered by the taxpayer or the sending financial institution and begins with a 1.

(If payment amount in CTX record type 6 is for more than one entity, then an amount allocated addenda record would be required for each company payment is made for) For example payment by one transfer of \$10,700 to pay for three companies(\$200.00,\$500.00,\$10,000.00):

Addenda Record One: to contain Contact info as follows: "CONTACT" + "*" + "Who to call with any questions" + "*" + "Phone Number" + "*" + "Email Address" + "\"
705CONTACT*John Smith*603-271-2261*Jsmith@Company.com\"

Addenda Record two: to contain Payer as Follows: "PAYER" + "*" + "NAIC Group or NAIC Company Code of payer" + "*" + "Full legal name of payer" + "\"
705PAYER*1001*Lots of the Best Life Group\"

Addenda Record three & >: "CREDIT" + "*" + "NAIC Company Code" + "*" + "Amount Allocated \$\$\$cc" + "*" + "Full Company Name matching NAIC Code" + "\"
705CREDIT*00011*50000*Best Life Company of New Hampshire\
705CREDIT*00012*1000000*Best Life Company of the World\"

RECORD 8 COMPANY BATCH CONTROL FORMAT

Field	Position	Size	Contents	Data Element	Name
1	1-1	1	"8"	Record Type Code	
2	2-4	3	"200"	Service Class Code	
3	5-10	6	Numeric	Addenda Count	
4	11-20	10	Numeric	Entry Hash	
5	21 - 32	12	\$\$\$\$\$cc	Debit Amount	
8	33 - 44	12	\$\$\$\$\$cc	Credit Amount	
7	45-54	10	Alphanumeric	Company ID Number	
8	55 - 73	19	Alphanumeric	Message Authentication Code	
9	74 - 79	6	Alphanumeric	Reserved	
10	80-87	8	Alphanumeric	Originating Bank Number	
11	88 - 94	7	Numeric	Bank Batch Number	

RECORD 8 COMPANY BATCH CONTROL FORMAT DEFINITIONS

Record Type Code - This entry will always be 8.

Service Class Code - This entry will always be 200.

Entry/Addenda Count - This entry will contain the number of Record 6 and Record 7 received for a taxpayer. One payer transaction would contain one Record 6 and three or more Record 7's and the Entry/Addenda Count would be 4+.

Entry Hash - This entry contains a calculated figure comprised of the receiving bank #'s from each record providing a check against inadvertent alteration of data.

Debit Amount - This entry will contain the total debit dollar amount of the batch. Since NHID is using the ACH Credit option only, this field will always be zero.

Credit Amount - This entry will contain the total credit dollar amount of the transaction received from the taxpayer. This amount will equal the total of the amount fields in each Record 6 sent per transaction. In most transactions there will be one Record 6 and the Credit Amount will equal the Record 6 amount field.

Company ID Number - This entry is a 10 character field that identifies the payer. The number in this field is determined by the payer or by the software used by the payer and its financial institution. The company ID number may be the company's bank account number that originated the transaction or a 10 digit number established by the payer. This entry usually matches the ID number in record 5.

Message Authentication Code - This field is reserved for other uses and is not available for ACH Credit transactions. The payer does not have to make an entry in this field.

Reserved - This entry is a 6 character field that will always contain 6 spaces.

Originating Bank Number - This entry contains the originating bank's transit number.

Batch Number - This entry contains the batch number of the EFT payment that has been transmitted to NHID.

Settlement Date - The date an exchange of funds, with respect to an entry, is reflected on the books of the Federal Reserve Bank.

RECORD FORMATS FOR ACH CREDIT CCD+ FORMAT

The following pages describe the data contained in CCD Entry Detail and Addendum, and Company/Batch Control Records (Records 5, 6, and 7). For complete information on NACHA formats, rules, specifications and definitions, please refer to the NACHA Rule Book.

RECORD 5 COMPANY BATCH HEADER FORMAT

Field	Position	Size	Contents	Data Element Name
1	1-1	1	"5"	Record Type Code
2	2-4	3	"200"	Service Class Code
3	5-20	16		Alphanumeric Payer Name
4	21-40	20		Alphanumeric Discretionary Data
5	41-50	10		Alphanumeric Company ID Number
6	51-53	3	"CCD"	Standard Entry Class
7	54-63	10		Alphanumeric Company Entry Description
8	64-69	6	YYMMDD	Company Descriptive Date
9	70-75	6	YYMMDD	Effective Entry Date
10	76-78	3		Blank Settlement Date
10	79-79	1	"1"	Originator Status code
12	80-87	8		Alphanumeric Originating Bank Number
13	88-94	7		Numeric Batch Number

If your software permits use the field "Company Entry Description" to describe the type of payment being made via EFT. The requested description to be used in this field is "Premium Tax" or "Assessment", etc. Depending on what payment is for.

RECORD 6 ENTRY DETAIL FORMAT

Field	Position	Size	Contents	Data Element Name/description
1	1	1	6	Record Type Code
2	2-3	2		Numeric Transaction Code
3	4-11	8		Numeric Receiving Bank Number
4	12	1		Numeric Check Digit
5	13-29	17		Alphanumeric Receiving Bank Account Number
6	30-39	10	\$\$\$\$\$cc	Amount
7	40-54	15		Alphanumeric Payer ID Number
8	55-76	22		Alphanumeric Receiver Identification *
9	77-78	2		Alpha Discretionary Data
10	79	1		Numeric Addenda Record Indicator
11	80-94	15		Numeric Trace Number

* When using TXP format addenda records, "Receiver Identification" data element must be the name of the Company that the tax payment in addenda record refers to.

Addenda record indicator will be "1" for both payment and pre-note. NHID requests that no payment be transmitted without an addenda record.

RECORD 7 CCD ADDENDUM FORMAT

Field	Position	Size	Contents	Data Element Name
1	1	1	"7"	Record type code
2	2-3	2	"05"	Addenda type code
3	4-83	80		Alphanumeric Payment Information (breakdown below)

4 84-87 4 Numeric Addenda Sequence Number
5 88-94 7 Numeric Entry Detail Sequence Number

Field 3 “Payment Information”:

NHID accepts two different formats in “Payment information”

- Our own specification per below instructions.
- Tax Payment (TXP) banking convention, instructions on next page.

NHID requires the following information be contained in “Payment information” for both our own and TPX formats:

- 1) What is being paid for,
 - a. **PTX** is our shorthand for Premium tax OR
 - b. **071** is the TXP format code for Premium tax.
- 2) Due date of the payment, this needs to be **tax due date** not calendar year.
- 3) Who is being paid for: NHID greatly prefers addenda contain the **NAIC Company code**; for TPX formatted records **we define the five digit NAIC company code as your Tax Id**. We accept the use of FEIN or National Producer Number, if your organization doesn’t have an NAIC Company code; this would be the case for Surplus Lines brokers.

NHID requests that if your software permits, that contact information for payment be included in payment information.

ACH Network banking conventions employ an asterisk (‘*’) as a data element separator and a backslash (“\”) as a terminator.

NHID defined Format for Field 3 “Payment Information”:

Item 1: PTX*

Item 2: <Due Date>* YYMMDD or m/d/yy

Item 3: <NAIC Company Code>* Is 5 character code assigned by NAIC

Item 4: <Company Name>* Truncate as needed to < 40 characters

Item 5: <Contact info>\ Contact Name & phone #

Example: PTX*080315*12345*Company Name*John Doe603.271.2261\

NHID has been informed that some commercial CCD+ software reserves positions 4–6, for the text “NTE” in that case just right justify the “PTX” text and the respective data items.

Example: NTEPTX*080315*12345*Company Name*John Doe 603-271-2261\6

TPX format alternative:

When using TXP format the Name of the Company paid for is obtained from the Record 6 detail record.

Format for Field 3 "Payment Information":

- Item 1: TPX* The letters "TPX"
- Item 2: <NAIC Company Code>* Is 5 character code assigned by NAIC
- Item 3: <Tax code>* See ACH tax type code table below
- Item 4: <Due Date>* YYMMDD see due dates in table below
- Item 5: T* The letter "T" for tax
- Item 6: <Amount Due>(* or \) \$\$\$\$cc
- Items 7 through Items 10: (interest and penalty are not needed) \

"TPX" + * + "tax payer id" + * + "tax type code" + "*" "due date" + * + "T" + "tax amount (\$\$\$\$cc)" + * + "I" * + \$cc + * + P + * + \$cc + "\

Examples (dummy NAIC code 12345, premium tax, due 3/15/2008, for \$200):

TXP*12345*07103*080315*T*0000020000\
 TXP*12345*07103*080315*T*0000020000*I*000*P*000\
 TXP*12345*07103*080315*T*0000020000*I*000*P*000\

The TPX convention has 3 char tax type code and permits a two char state extension. NHID has determined to tie the extensions to 071(premium tax code) to event & due date as follows:

ACH Tax type Code	Related Event	Due Date	YYMMDD 2023
07101	Surplus lines tax due	January 31	230131
07103	Licensed company premium tax	March 15 th	230315
07107	Administrative assessment due	July 1 st	230701
07119	Company amendments & audit assessments (Original due date of filing)		

GLOSSARY OF ACRONYMS/TERMS

ACH - "Automated Clearing House" means any entity that operates as a clearing house for electronic debt or credit entries pursuant to an agreement with an association that is a member of the National Automated Clearing House Association.

ACH Credit - The "ACH Credit" is one means by which money is transferred electronically through the Automated Clearing House (ACH) Network. An ACH credit transaction is one in which the payer, through its bank, originates an entry crediting the state's designated bank account and debits its own bank account for the amount of the payment.

CTX – "Corporate Trade Exchange" Credit or debit entries originated by an originator to pay or collect an obligation. CTX entries may be accompanied by up to 9.9999 Addenda Records.

CCD +/- "Cash Concentration of Disbursement" CCD + entries are accompanied by one addenda record.

EFT - "Electronic Funds Transfer" is a term that identifies any system used to transfer payments or funds electronically. EFT refers to any transfer of funds, other than a transaction originated by check, draft or similar paper instrument, that is initiated through an electronic terminal,

telecommunications instrument, computer or magnetic tape, to order, instruct or authorize a financial institution to debit or credit an account.

FRB - "Federal Reserve Bank" is the central banking system of the United States, consisting of 12 regional reserve banks and member depository institutions that are subject to Reserve requirements.

NACHA - The "National Automated Clearing House Association" is the organization that establishes the standards, rules and procedures that enable depository financial institutions to exchange ACH payments on a national basis.

NAIC – The “National Association of Insurance Commissioners”

NHID – The “New Hampshire Insurance Department”.

ODFI - The "Originating Depository Financial Institution" is the organization that originates ACH entries at the request of, and by agreement with, its customers. ODFI's must abide by the provisions of the NACHA Operating Rules and Guidelines.

Prenote Test - This test is a zero-dollar entry sent through the ACH network to verify banking information.

Settlement Date - The date an exchange of funds, with respect to an entry, is reflected on the books of the Federal Reserve Bank.