



General Assembly

Raised Bill No. 975

January Session, 2011

LCO No. 2938

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Referred to Committee on Insurance and Real Estate

Introduced by:

(INS)

AN ACT AUTHORIZING THE INSURANCE COMMISSIONER TO ENTER INTO THE NONADMITTED INSURANCE MULTISTATE AGREEMENT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 38a-743 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Every person, firm, association or corporation licensed pursuant to the provisions of sections 38a-741 to 38a-744, inclusive, 38a-777 and 38a-794 shall pay to the commissioner on May [first] fifteenth of each year a sum equal to four per cent of the gross premiums charged the insureds by the insurers during the period from January first to March thirty-first of that year, and on August [first] fifteenth of each year a sum equal to four per cent of the gross premiums charged the insured by the insurers during the period from April first to June thirtieth of that year, on November [first] fifteenth of each year a sum equal to four per cent of the gross premiums charged the insureds by the insurers during the period from July first to September thirtieth of that year and on February [first] fifteenth of each year a sum equal to four per cent of the gross premiums charged the insureds by the insurers during the period from October first to December thirty-first of the preceding year, for insurance procured by such licensee pursuant to such license, less the amount of such premiums

returned to such insureds, except that the premium tax shall not apply to any policy issued to the state of Connecticut or any agency thereof or to any policy issued to any town, or agency of such town or special taxing district when said town, agency or department thereof or special taxing district appears in the policy as the named insured and as such is responsible for the payment of premiums shown on said policy. Each licensee shall also file on May [first] fifteenth, August [first] fifteenth, November [first] fifteenth, and February [first] fifteenth a return, in the form described by the commissioner, showing such information as the commissioner deems necessary.

(b) Upon failure of any person to pay the premium tax due the commissioner on its due date, there shall be added thereto a penalty and interest, which interest shall not be less than one per cent per month or fraction of a month which elapses from the due date of such premium tax to the date of payment, and which penalty shall be in the amount of ten per cent of the whole or such part of the principal of the premium tax as is unpaid.

(c) For the purposes of carrying out the provisions of the Nonadmitted and Reinsurance Reform Act of 2010, Subtitle B of Title V of P.L. 111-203, the Insurance Commissioner shall be authorized to enter into the National Association of Insurance Commissioners' Nonadmitted Insurance Multistate Agreement to (1) facilitate the collection, allocation and disbursement of the premium taxes set forth in subsection (a) of this section, (2) provide for uniform methods of allocation and reporting among unauthorized insurance risk classifications, and (3) share information related to unauthorized insurance premium taxes among states.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-743

Statement of Purpose:

To authorize the Insurance Commissioner to enter into the National Association of Insurance Commissioners' Nonadmitted Insurance Multistate Agreement to carry out the provisions of the Nonadmitted and Reinsurance Reform Act of 2010 regarding unauthorized insurance premium taxes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]