



General Assembly

January Session, 2023

Raised Bill No. 1217

LCO No. 4750



Referred to Committee on APPROPRIATIONS

Introduced by:
(APP)

***AN ACT CONCERNING PAYMENTS BY INSURANCE COMPANIES
FOR DEPOSIT INTO THE INSURANCE FUND.***

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

1 Section 1. Section 38a-47 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) All domestic insurance companies and other domestic entities
4 subject to taxation under chapter 207, except as provided in subdivisions
5 (2) and (3) of this subsection, shall, in accordance with section 38a-48, as
6 amended by this act, annually pay to the Insurance Commissioner, for
7 deposit in the Insurance Fund established under section 38a-52a, an
8 amount equal to:

9 (1) The actual expenditures made by the Insurance Department
10 during each fiscal year; [, and the actual expenditures made by the
11 Office of the Healthcare Advocate, including the cost of fringe benefits
12 for department and office personnel as estimated by the Comptroller;]

13 (2) For only domestic insurance companies, including domestic
14 health care centers, that have written policies of health insurance, as

15 defined in section 38a-469, in this state during the preceding calendar
16 year, the actual expenditures made by the Office of the Healthcare
17 Advocate, including the cost of fringe benefits for department and office
18 personnel as estimated by the Comptroller;

19 [(2) The] (3) For only domestic insurance companies, including
20 domestic health care centers, that have written policies of health
21 insurance, as defined in section 38a-469, in this state during the
22 preceding calendar year, the amount appropriated to the Office of
23 Health Strategy from the Insurance Fund for the fiscal year, including
24 the cost of fringe benefits for office personnel as estimated by the
25 Comptroller, which shall be reduced by the amount of federal
26 reimbursement received for allowable Medicaid administrative
27 expenses;

28 [(3)] (4) The expenditures made on behalf of the department and said
29 offices from the Capital Equipment Purchase Fund pursuant to section
30 4a-9 for such year, but excluding such estimated expenditures made on
31 behalf of the Health Systems Planning Unit of the Office of Health
32 Strategy; and

33 [(4)] (5) The amount appropriated to the Department of Aging and
34 Disability Services for the fall prevention program established in section
35 17a-859 from the Insurance Fund for the fiscal year.

36 (b) The expenditures and amounts specified in subdivisions (1) to
37 [(4)] (5), inclusive, of subsection (a) of this section shall exclude
38 expenditures paid for by fraternal benefit societies, foreign and alien
39 insurance companies and other foreign and alien entities under sections
40 38a-49 and 38a-50.

41 (c) Payments shall be made by assessment of all such domestic
42 insurance companies and other domestic entities calculated and
43 collected in accordance with the provisions of section 38a-48, as
44 amended by this act. Any such domestic insurance company or other
45 domestic entity aggrieved because of any assessment levied under this
46 section may appeal therefrom in accordance with the provisions of

47 section 38a-52.

48 Sec. 2. Subsections (a) to (c), inclusive, of section 38a-48 of the general
49 statutes are repealed and the following is substituted in lieu thereof
50 (*Effective July 1, 2023*):

51 (a) (1) On or before June thirtieth, annually, the Commissioner of
52 Revenue Services shall render to the Insurance Commissioner a
53 statement certifying the amount of taxes or charges imposed on each
54 domestic insurance company or other domestic entity under chapter 207
55 on business done in this state during the preceding calendar year. The
56 statement for local domestic insurance companies shall set forth the
57 amount of taxes and charges before any tax credits allowed as provided
58 in subsection (a) of section 12-202.

59 (2) Upon receipt of the statement described in subdivision (1) of this
60 subsection, the Insurance Commissioner shall prepare a statement of the
61 amount of taxes or charges imposed on each domestic insurance
62 company or other domestic entity under chapter 207 that wrote policies
63 of health insurance, as defined in section 38a-469, in this state. Such
64 amount shall be that as certified by the Commissioner of Revenue
65 Services in accordance with subdivision (1) of this subsection.

66 (b) On or before July thirty-first, annually, the Insurance
67 Commissioner and the Office of the Healthcare Advocate shall render
68 to each domestic insurance company or other domestic entity liable for
69 payment under section 38a-47, as amended by this act:

70 (1) A statement that includes, as separate line items, for the fiscal year
71 beginning July first of the year such statement is rendered: (A) [the] The
72 amount appropriated to the Insurance Department [,] from the
73 Insurance Fund established under section 38a-52a, (B) the amount
74 appropriated to the Office of the Healthcare Advocate [and] from the
75 Insurance Fund; (C) the amount appropriated to the Office of Health
76 Strategy from the Insurance Fund, [established under section 38a-52a
77 for the fiscal year beginning July first of the same year, (B)] (D) the cost
78 of fringe benefits for department and office personnel, [for such year,]

79 as estimated by the Comptroller, [(C)] (E) the estimated expenditures on
80 behalf of the department and the offices from the Capital Equipment
81 Purchase Fund pursuant to section 4a-9, [for such year,] not including
82 such estimated expenditures made on behalf of the Health Systems
83 Planning Unit of the Office of Health Strategy, and [(D)] (F) the amount
84 appropriated to the Department of Aging and Disability Services for the
85 fall prevention program established in section 17a-859 from the
86 Insurance Fund; [for the fiscal year;]

87 (2) [a] A statement of (A) (i) the total taxes imposed on all domestic
88 insurance companies and domestic insurance entities under chapter 207
89 on business done in this state during the preceding calendar year, and
90 (ii) each such company's or entity's proportionate share of such total,
91 and (B) (i) the total taxes imposed under chapter 207 on only those
92 domestic insurance companies and entities that provided health
93 insurance, as defined in section 38a-469, in this state during the
94 preceding calendar year, and (ii) each such company's or entity's
95 proportionate share of such total; and

96 (3) [the] The proposed assessment against that company or entity,
97 calculated in accordance with the provisions of subsection (c) of this
98 section, provided for the purposes of this calculation the amount
99 appropriated to the Insurance Department, the Office of the Healthcare
100 Advocate and the Office of Health Strategy from the Insurance Fund
101 plus the cost of fringe benefits for department and office personnel and
102 the estimated expenditures on behalf of the department and the office
103 from the Capital Equipment Purchase Fund pursuant to section 4a-9,
104 not including such expenditures made on behalf of the Health Systems
105 Planning Unit of the Office of Health Strategy shall be deemed to be the
106 actual expenditures of the department and the office, and the amount
107 appropriated to the Department of Aging and Disability Services from
108 the Insurance Fund for the fiscal year for the fall prevention program
109 established in section 17a-859 shall be deemed to be the actual
110 expenditures for the program.

111 (c) (1) The proposed assessments for each domestic insurance

112 company or other domestic entity shall be calculated by (A) allocating
113 twenty per cent of the amount to be paid under section 38a-47, as
114 amended by this act, among the domestic entities organized under
115 sections 38a-199 to 38a-209, inclusive, and 38a-214 to 38a-225, inclusive,
116 in proportion to their respective shares of the total taxes and charges
117 imposed under chapter 207 on such entities on business done in this
118 state during the preceding calendar year, and (B) allocating eighty per
119 cent of (i) the amount to be paid under subdivisions (1), (4) and (5) of
120 subsection (a) of section 38a-47, as amended by this act, among all
121 domestic insurance companies and domestic entities, and (ii) the
122 amount to be paid under subdivisions (2) and (3) of subsection (a) of
123 section 38a-47, as amended by this act, among only those domestic
124 insurance companies and entities that provided health insurance in this
125 state during the preceding calendar year, in each case other than those
126 organized under sections 38a-199 to 38a-209, inclusive, and 38a-214 to
127 38a-225, inclusive, in proportion to their respective shares of the total
128 taxes and charges imposed under chapter 207 on such domestic
129 insurance companies and domestic entities on business done in this state
130 during the preceding calendar year, provided if there are no domestic
131 entities organized under sections 38a-199 to 38a-209, inclusive, and 38a-
132 214 to 38a-225, inclusive, at the time of assessment, one hundred per cent
133 of the amount to be paid under section 38a-47, as amended by this act,
134 shall be allocated among such domestic insurance companies and
135 domestic entities.

136 (2) When the amount any such company or entity is assessed
137 pursuant to this section exceeds twenty-five per cent of the actual
138 expenditures of the Insurance Department, the Office of the Healthcare
139 Advocate and the Office of Health Strategy from the Insurance Fund,
140 such excess amount shall not be paid by such company or entity but
141 rather shall be assessed against and paid by all other such companies
142 and entities in proportion to their respective shares of the total taxes and
143 charges imposed under chapter 207 on business done in this state during
144 the preceding calendar year, except that for purposes of any assessment
145 made to fund payments to the Department of Public Health to purchase

146 vaccines, such company or entity shall be responsible for its share of the
147 costs, notwithstanding whether its assessment exceeds twenty-five per
148 cent of the actual expenditures of the Insurance Department, the Office
149 of the Healthcare Advocate and the Office of Health Strategy from the
150 Insurance Fund. The provisions of this subdivision shall not be
151 applicable to any corporation which has converted to a domestic mutual
152 insurance company pursuant to section 38a-155 upon the effective date
153 of any public act which amends said section to modify or remove any
154 restriction on the business such a company may engage in, for purposes
155 of any assessment due from such company on and after such effective
156 date.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	38a-47
Sec. 2	<i>July 1, 2023</i>	38a-48(a) to (c)

Statement of Purpose:

To realign the structure of payments by insurance companies into the Insurance Fund.

[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.]