



General Assembly

February Session, 2024

Raised Bill No. 372

LCO No. 1966



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 Section 38a-47 of the general statutes is repealed and the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, 2024*):

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

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

12 (2) [The] For only domestic insurance companies, including domestic
13 health care centers, that have written policies of health insurance, as
14 defined in section 38a-469, in this state during the preceding calendar

15 year, the actual expenditures made by the Office of the Healthcare
16 Advocate, including the cost of fringe benefits for department and office
17 personnel as estimated by the Comptroller;

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

26 ~~[(3)]~~ (4) The expenditures made on behalf of the department and said
27 offices from the Capital Equipment Purchase Fund pursuant to section
28 4a-9 for such year, but excluding such estimated expenditures made on
29 behalf of the Health Systems Planning Unit of the Office of Health
30 Strategy; and

31 ~~[(4)]~~ (5) The amount appropriated to the Department of Aging and
32 Disability Services for the fall prevention program established in section
33 17a-859 from the Insurance Fund for the fiscal year.

34 (b) The expenditures and amounts specified in subdivisions (1) to
35 ~~[(4)]~~ (5), inclusive, of subsection (a) of this section shall exclude
36 expenditures paid for by fraternal benefit societies, foreign and alien
37 insurance companies and other foreign and alien entities under sections
38 38a-49 and 38a-50.

39 (c) Payments shall be made by assessment of all such domestic
40 insurance companies and other domestic entities calculated and
41 collected in accordance with the provisions of section 38a-48, as
42 amended by this act. Any such domestic insurance company or other
43 domestic entity aggrieved because of any assessment levied under this
44 section may appeal therefrom in accordance with the provisions of
45 section 38a-52.

46 Sec. 2. Subsections (a) to (c), inclusive, of section 38a-48 of the general
47 statutes are repealed and the following is substituted in lieu thereof
48 (*Effective July 1, 2024*):

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

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

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

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

78 behalf of the department and the offices from the Capital Equipment
79 Purchase Fund pursuant to section 4a-9₂ [for such year,] not including
80 such estimated expenditures made on behalf of the Health Systems
81 Planning Unit of the Office of Health Strategy, and [(D)] (F) the amount
82 appropriated to the Department of Aging and Disability Services for the
83 fall prevention program established in section 17a-859 from the
84 Insurance Fund; [for the fiscal year;]

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

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

109 (c) (1) The proposed assessments for each domestic insurance
110 company or other domestic entity shall be calculated by (A) allocating

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	38a-47
Sec. 2	<i>July 1, 2024</i>	38a-48(a) to (c)

APP *Joint Favorable*