



General Assembly

January Session, 2023

**Substitute Bill No. 1217**



**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 Section 38a-47 of the general statutes is repealed and the  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 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) 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  
17 office personnel as estimated by the Comptroller;

18 [(2) The] (3) For only domestic insurance companies, including

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

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

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

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

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

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48 general statutes are repealed and the following is substituted in lieu  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

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

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

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

69 (1) A statement that includes, as separate line items, for the fiscal  
70 year beginning July first of the year such statement is rendered: (A)  
71 [the] The amount appropriated to the Insurance Department [,] from  
72 the Insurance Fund established under section 38a-52a, (B) the amount  
73 appropriated to the Office of the Healthcare Advocate [and] from the  
74 Insurance Fund, (C) the amount appropriated to the Office of Health  
75 Strategy from the Insurance Fund, [established under section 38a-52a  
76 for the fiscal year beginning July first of the same year, (B)] (D) the cost  
77 of fringe benefits for department and office personnel, [for such year,]  
78 as estimated by the Comptroller, [(C)] (E) the estimated expenditures  
79 on behalf of the department and the offices from the Capital  
80 Equipment Purchase Fund pursuant to section 4a-9, [for such year,]  
81 not including such estimated expenditures made on behalf of the  
82 Health Systems Planning Unit of the Office of Health Strategy, and

83 [(D)] (F) the amount appropriated to the Department of Aging and  
84 Disability Services for the fall prevention program established in  
85 section 17a-859 from the Insurance Fund; [for the fiscal year;]

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

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

110 (c) (1) The proposed assessments for each domestic insurance  
111 company or other domestic entity shall be calculated by (A) allocating  
112 twenty per cent of the amount to be paid under section 38a-47, as  
113 amended by this act, among the domestic entities organized under  
114 sections 38a-199 to 38a-209, inclusive, and 38a-214 to 38a-225, inclusive,  
115 in proportion to their respective shares of the total taxes and charges

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

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

150 of this subdivision shall not be applicable to any corporation which has  
151 converted to a domestic mutual insurance company pursuant to  
152 section 38a-155 upon the effective date of any public act which amends  
153 said section to modify or remove any restriction on the business such a  
154 company may engage in, for purposes of any assessment due from  
155 such company on and after such effective 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 Legislative Commissioners:***

In Section 1(a), "except as provided in subdivisions (2) and (3) of this subsection," was deleted for accuracy and clarity.

***APP***      *Joint Favorable Subst. -LCO*