

## **PTAC Meeting Summary October 18, 2016**

The Premium Tax Advisory Council held its latest meeting on October 18, 2016. I will key each of the items to the agenda for the meeting which is enclosed under separate cover.

### **IV. Minutes**

The minutes from May 10, 2016 were approved as presented and they are attached.

### **V. Subcommittee Reports**

a. Clarify credit on quarterly statement

This issue has resurfaced again. As a reminder, insurers or brokers sometimes write a large policy in a tax jurisdiction and remit the taxes due. Later, that policy cancels and the local government is reluctant to refund the credit balance that results on a subsequent return. The insurer or broker has a credit carryforward that often cannot be used because no business is written in that jurisdiction.

The City of Nicholasville is refusing to refund a credit balance of over \$35,000 to an insurer, and they have taken a position that the credit may only be used for one succeeding quarter. J. D. Chaney of the KY League of Cities will be contacting the City of Nicholasville to discuss this particular situation.

Given that this issue keeps coming up, the Subcommittee has been charged with taking up the issue again. The members of the Subcommittee are Mark Treesh, IIK; Beth Murphy, Grange; J. D. Chaney, KLC; and Shellie Hampton, KACO.

### **VI. Old Business**

DOI gave a summary of non-filings on Annual Reconciliation Reports for 2015. The non-filers have been reduced to 121 companies and 86 brokers.

We briefly discussed the Foremost case in which the Commissioner ruled that installment fees are not premium for the purpose of LGPT. I thanked the Commissioner and his General Counsel for the decision.

### **VII. New Business**

We discussed whether there might be a way to relieve insurers of the burden of filing an annual reconciliation form when they have no business in the commonwealth. DOI will examine some options.

DOI has also considered putting together an FAQ for their website on LGPT. It will likely cover commonly asked questions from the perspective of each the policyholder, the insurer, and the local government. Members were asked to submit FAQ ideas.

I suggested that on the occasions that customer complaints or queries were received about LGPT that consideration should be given to referring policy questions to the PTAC rather than immediately to the Market Conduct area so that policy questions could be addressed more broadly.

### **VIII. Next Meeting Date**

The next meeting was tentatively set for May 16, 2017 at 1:30 PM.

There being no further business the meeting adjourned.