

**PTAC Meeting Summary**  
**May 16, 2017**

The Premium Tax Advisory Council held its latest meeting on May 16, 2017. I will key each of the items to the agenda for the meeting which is enclosed under separate cover.

**IV. Subcommittee Discussion**

a. Clarify credit on quarterly statement

I reported on behalf of the Subcommittee that we were getting close to an agreement on the issue. The solution contains the following elements agreed to so far:

1. Establish in statute that insurers have a right to a full refund of a credit balance no later than one year following the due date or the filing date of a quarterly return.
2. Establish a tiered refund schedule for insurers to obtain a more immediate refund in instances when it is unlikely that the amount of its business in the next 12-month period will be sufficient to absorb the credit. The schedule would be as follows:
  - If the credit balance is 10% or less of total LGPT revenue receipts of the local government for the most recent full fiscal year, then the refund shall be issued within 60 days of the due date of the return for an original return or within 60 days of the filing of an amended return.
  - If the credit balance is greater than 10% but equal to or less than 25% of total LGPT revenue receipts of the local government for the most recent full fiscal year, then the refund shall be issued within 120 days of the due date of the return for an original return or within 120 days of the filing of an amended return.
  - If the credit balance is greater than 25% but less than 50% of total LGPT revenue receipts of the local government for the most recent full fiscal year, then the refund shall be issued within 240 days of the due date of the return for an original return or within 240 days of the filing of an amended return.
  - If the credit balance is 50% or greater of total LGPT revenue receipts of the local government for the most recent full fiscal year, then the local government may take the full one year period to issue the full refund, with at least one half of the amount to be paid within 240 days and the other half at the conclusion of the year.
3. The local government and the insurer may enter into a written agreement providing for an alternative payment plan.
4. The total LGPT revenue received by the local government shall be documented or certified by the local government if a tiered payment plan is used under (2).
5. Specific language requiring the insurer to attest that, if applicable, the refund has been or will be returned to the policy holder, including information about the policy holder.
6. Require the insurer to substantiate that the collection fee has been returned as appropriate to the policyholder.

## **VI. Old Business**

DOI is still considering putting together an FAQ for their website on LGPT that will cover commonly asked questions from the perspective of each the policyholder, the insurer, and the local government. To date, no one had submitted FAQ ideas.

I suggested that the FAQ could contain a direct link to the forms and documents containing lists of adopting jurisdictions and rates so that they would be easier to find.

## **VII. New Business**

DOI gave a summary of non-filings on Annual Reconciliation Reports for 2016. There are 282 companies and 91brokers that have not filed.

## **VIII. Next Meeting Date**

The next meeting date was not set yet, but it will likely be in October.

There being no further business the meeting adjourned.