

Local Premium Tax Advisory Council

May 21, 2019 - 1:30 pm

Department of Insurance - Hearing Room

Minutes

Members Present

Commissioner Nancy Atkins
Rusty Cress (for JD Chaney with KLC)
Shellie Hampton
Greg Kosse
Mark Treesh
Beth Murphy
David Thornton

Members Absent

Huston Wells
Steve Dawson

Others in attendance:

Josh Rayborn
Shawn Boggs
John Hord
Patrick O'Connor
Paula Smith
Prentice Harvey
Russ Hamblen

Call to Order / Roll Call / Welcome –

Commissioner Atkins called the meeting to order at approximately 1:36 p.m. and the roll was called. A quorum was present.

Introductions were made for newly named, Shawn Boggs, Director of Consumer Protection and John Hord, LGPT Program manager.

Approval of Minutes –

The minutes for the October 22, 2018, meeting were approved as drafted.
Motion made by Greg, second by Mark.

Old Business –

No old Business

New Business –

Commissioner Atkins discussed the new web page and design that went public recently.

a. DOI - Discuss administrative regulation changes now effective (806 KAR 2:092, 806 KAR 2:100).

Deputy Commissioner O'Connor filed administrative regulations that were heard at the April 2019 Administrative Regulations Review Subcommittee meeting.

b. DOI – Discuss recent challenges with ordinances and tax rate changes (e.g., contingency clauses).

Challenges due to Louisville Metro tax increase. During the process Josh and Patrick watched closely. Did not end up taking effect. “Spring Forward” clause stating that changes made to ordinances would be in effect. Had to be on a yearly basis. No one that used “Spring Forward” clause but some contingencies. Must notify the department each time you wanted your municipality to change. 91A080 validly enacted ordinance if change notification was not received then it is not enacted. When received, the understanding is that it is a valid ordinance is assumed.

Greg, Shellie, and Mark stated this was new for them and that they did not think their citizens and members would be in agreement with this type of ordinance.

Retaliatory taxes – case law research (?)

Communication from legal representation was received inquiring about this topic. Greg stated that notice is extremely important to those collecting taxes. Beth and Rusty were both interested in seeing a copy of response to the legal inquiry, would they need an open records request to gain a copy of the response. Patrick to check on access to the response.

c. DOI – Highlight forms and issue reminder on the usage of model forms (e.g., remove model language in brackets, lines of insurance permitted to be taxed, and clear language).

Model ordinance that is out there. Josh and Melissa have been handling this. Not strip out language. Make sure lines of insurance are included. Also, an issue that occurs as far as contradictory language. Questions in regard to effective dates. Recommend on an annual basis, encourage no year-end changes, a few policies will be affected.

d. DOI – Potential changes to the DOI notification process for insurers of LGPT.

Discussion focusing to create a listserv or another method to more efficiently inform insurers of changes to the bulletin. Previous issues where we changed the bulletin multiple times to remedy typographical errors, and we simply had to notify insurers that we have contact info for. There is a need to simplify a method so that it is automatic so we could ensure that all insurers received it and could implement changes.

This is something that should be investigated further, and discuss with IT.

e. DOI – Consideration of subcommittee formation to explore the feasibility of a LGPT collection clearinghouse.

Definitely something to think about...department is not advocating one way or the other, focus on what is best.

Suggested Next Meeting –

The next meeting will be July 24, 2019, at 1:30 p.m. in the Hearing Room at the Department of Insurance. Mention of next regular scheduled meeting to be set for October 22, 2019, but nothing set as of the end of May regularly scheduled meeting.

Adjourn -

Motion to adjourn by Beth and second by Shellie. Commissioner Atkins adjourned the meeting at approximately 2:54 p.m.

Submitted By:

Date

Approved By:

Date