

HB 278
Bill Summary
Senate Banking and Insurance Committee
March 23, 2010

Overview

HB 278 makes several technical corrections that have come to light since the passage of 2008 HB 524, a bill sponsored by Rep. Steve Riggs. HB 524 improved the administration of local government premium taxes and was the product of cooperative efforts of local governments and the insurance industry.

HB 278 represents the result of discussions that have taken place within the Premium Tax Advisory Committee which was created by HB 524 and which is chaired by DOI Commissioner Clark. The DOI is aware of the changes in HB 278 and supports them, but this bill is not a DOI agenda bill.

Bill Summary

Section 1 (pages 1-8):

The first subsection of KRS 91A.0804 deals with two separate topics and therefore should have been separated into two separate subsections. It was logical for these topics to appear together in the original form of HB 524, but as the language evolved the topics should have been separated for more clarity in statutory construction.

This section of the bill splits subsection 1 into two subsections and renumbers other subsections accordingly.

Section 2 (page 8):

HB 524 was intended to apply to all insurers and surplus lines brokers, but the language that would have included surplus lines brokers was inadvertently omitted from the bill. Section 2 corrects that oversight.

Section 3 (pages 9-10):

HB 524 established a requirement that insurers disclose the amount of local premium tax and the jurisdiction for which the tax was collected. Unfortunately, the language of the bill required this disclosure only on renewal policies, not on new policies. Section 3 extends the disclosure requirement to new policies as well.

Section 4-6 (pages 10-17):

These sections update references related to the renumbering from Section 1.