

PTAC Meeting Summary October 22, 2008

Following is a summary of the latest PTAC meeting which took place on 10-22-08. I am also attaching the following documents:

1. Agenda for the 10-22-08 meeting. Please note that the future meeting dates were in error. The correct dates for the next two meetings are Monday, November 17 and Tuesday, December 16.
2. Minutes for the 9-24-08 meeting.
3. HB 524 Implementation Update.
4. LGPT Risk Location Chart from the Due Diligence Subcommittee.
5. Summary of the 9-22 conference call by the Future Reforms Subcommittee. I am sure that I have sent this previously, but I am including it since it was one of our meeting documents.
6. Education Subcommittee's draft brochure for premium taxes. Its target audience appears to be consumers. (lgptcb.doc)
7. Education Subcommittee's draft FAQ document. (lgptadv.doc)

DOI Update on Implementation:

- a. Appeals process: The KDOI has finally agreed with us that the effective date for the appeals process and the exclusive remedy was 7-15-08.
- b. Assessments: 35% of companies have paid.
- c. Implementation Guide: Many of you had asked questions about the premium tax and were waiting for the Department to respond. This document is their response to questions received so far, so you will want to run it past appropriate company personnel. The document can also be found on the KDOI website here:
http://doi.ppr.ky.gov/kentucky/Documents/Tax/HB_524_Implementation_Update.doc

Subcommittee Reports:

- a. Risk Location: Cities are still getting boundary data in. There is a 11-1 deadline that may be extended if necessary.
- b. Due Diligence: The subcommittee has put out the LGPT Risk Location Chart for discussion. We had an extensive discussion on the difficulty of establishing "one size fits all" formulas for premium allocation on multi-location risks, especially for commercial policies.
- c. Data Collection: I reported that our subcommittee is not attempting to break any new ground, but meets regularly by phone conference to stay informed on developments. I also volunteered that we would welcome projects assigned by PTAC or other subcommittees.
- d. Education: This subcommittee has started work on two brochures, one for consumers and one that will serve as a FAQ document. They would welcome input on the drafts which are attached. The deadline for feedback is 11-10.
- e. Future Reforms: This subcommittee had a phone conference on 10-8 to discuss the document attached from the 9-22 call. The topics were discussed as to priority and the current status of agreement among the stakeholders.

Those topics that can be addressed first, probably in 2010, are technical corrections to the bill proposed by KDOI (not on the list), sole taxation method, mobile phone taxation, and the fact that the collection allowance is in addition to the tax. Other topics will require more discussion and consensus before action can be taken, including centralized collection.

New Business:

- a. Participation in subcommittees, especially subcommittee conference calls was discussed. KDOI expressed a concern that the subcommittee calls could be getting unwieldy due to the large number of people not on subcommittees getting on the calls. No action was taken, but subcommittee chairs agreed that they would discuss it further if problems become evident.
- b. KDOI presented HB 524 issues at the KLC convention recently and they and KLC reported on that.

There being no other business, the Council adjourned to November 17 at 1:30 PM.

Please let me know if you have any questions or comments. I would be especially interested in your feedback on documents 3-7 above.

Thanks,

Mark