



General Assembly

January Session, 2011

Raised Bill No. 1217

LCO No. 4930

04930_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING NONADMITTED INSURERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-277 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage and*
3 *applicable to nonadmitted insurance coverage procured, continued or renewed*
4 *on or after July 1, 2011*):

5 (a) For purposes of this section:

6 (1) "Home state" means home state, as defined in Section 527 of the
7 Act;

8 (2) "Independently procured insurance" means independently
9 procured insurance, as defined in Section 527 of the Act;

10 (3) "Nonadmitted and Reinsurance Reform Act of 2010" or "Act"
11 means Sections 511 to 542, inclusive, of the Dodd-Frank Wall Street
12 Reform and Consumer Protection Act, P.L. 111-203, 123 Stat. 1376;

13 (4) "Nonadmitted insurance" means nonadmitted insurance, as
14 defined in Section 527 of the Act; and

15 (5) "Nonadmitted insurer" means a nonadmitted insurer, as defined
16 in Section 527 of the Act.

17 [(a)] (b) Every insured who in this state procures or causes to be
18 procured or continues or renews insurance with any [unauthorized]
19 nonadmitted insurer, or any insured or self-insurer who so procures or
20 continues excess loss, catastrophe or other insurance, upon a subject of
21 insurance resident, located or to be performed within this state, other
22 than insurance procured through a surplus lines broker pursuant to
23 the surplus lines law of this state, shall, within sixty days after the date
24 such insurance was so procured, continued or renewed, file a report of
25 the same with the Commissioner of Revenue Services in writing and
26 upon forms designated by the Commissioner of Revenue Services and
27 furnished to such insured upon request. The report shall show the
28 name and address of the insured or insureds, the name and address of
29 the insurer, the subject of the insurance, a general description of the
30 coverage, the amount of premium currently charged therefor and such
31 additional pertinent information as is reasonably requested by the
32 Commissioner of Revenue Services. The provisions of this subsection
33 shall not apply to nonadmitted insurance to the extent that coverage is
34 procured, continued or renewed on or after July 1, 2011.

35 [(b)] (c) Any insurance by [an unauthorized] a nonadmitted insurer
36 of a subject of insurance resident, located or to be performed within
37 this state procured through negotiations or an application, in whole or
38 in part occurring or made within or from within or outside of this
39 state, or for which premiums in whole or in part are remitted directly
40 or indirectly from within or outside of this state, shall be deemed to be
41 insurance procured, or continued or renewed in this state within the
42 intent of subsection [(a)] (b) of this section.

43 [(c)] (d) There is [hereby] levied upon the obligation, chose in action
44 or right represented by the premium charged for such insurance a
45 premium receipts tax of four per cent of gross premiums charged for
46 such insurance other than wet marine and transportation insurance.

47 The term "premium" shall include all premiums, membership fees,
48 assessments, dues and any other consideration for insurance. Such tax
49 shall be in lieu of all other taxes. The insured shall, on or before March
50 first next succeeding the calendar year in which the insurance was so
51 procured, continued or renewed, pay the amount of the tax to the
52 Commissioner of Revenue Services in accordance with procedures
53 established and on forms provided by said Commissioner of Revenue
54 Services. In the event of cancellation and rewriting of any such
55 insurance contract the premium for premium receipts tax purposes
56 shall be the premium in excess of the unearned premium of the
57 cancelled insurance contract. The provisions of this subsection shall
58 not apply to nonadmitted insurance to the extent that coverage is
59 procured, continued or renewed on or after July 1, 2011.

60 [(d)] (e) If a policy covers risks or exposures only partially in this
61 state, the tax payable shall be computed on the portions of the
62 premium which are properly allocable to the risks or exposures located
63 in this state. The provisions of this subsection shall not apply to
64 nonadmitted insurance to the extent that coverage is procured,
65 continued or renewed on or after July 1, 2011.

66 [(e)] (f) If the insured fails to withhold from the premium the
67 amount of tax herein levied, the insured shall be liable for the amount
68 thereof and shall pay the same to the Commissioner of Revenue
69 Services within the time stated in subsection [(c)] (d) of this section.
70 Any person who fails to pay the tax within the time stated in
71 subsection [(c)] (d) of this section shall pay a penalty of ten per cent
72 thereof or seventy-five dollars, whichever is greater, which penalty
73 shall be paid at the time of paying such tax. Interest shall be added to
74 the tax at the rate of one per cent per month or fraction thereof from
75 the date such payment was due to the date paid. Subject to the
76 provisions of section 12-3a, the Commissioner of Revenue Services
77 may waive all or part of the penalties provided under this section
78 when it is proven to said commissioner's satisfaction that the failure to
79 pay any tax was due to reasonable cause and was not intentional or

80 due to neglect. The provisions of this subsection shall not apply to
81 nonadmitted insurance to the extent that coverage is procured,
82 continued or renewed on or after July 1, 2011.

83 (g) (1) With respect to independently procured insurance, where
84 such coverage is procured, continued or renewed on or after July 1,
85 2011, and where this state is an insured's home state, there is levied
86 upon the obligation, chose in action or right represented by the
87 premium charged for independently procured insurance an
88 independently procured insurance premiums tax of four per cent of
89 the gross premiums charged for such insurance, irrespective of the fact
90 that the independently procured insurance policy may cover
91 properties, risks or exposures located or to be performed both within
92 and without this state. The term "premium" shall include all
93 premiums, membership fees, assessments, dues and any other
94 consideration for insurance. Such tax shall be due and payable to this
95 state by the insured and shall be in lieu of all other taxes on such
96 nonadmitted insurance.

97 (2) (A) For the period beginning on or after July 1, 2011, and ending
98 September 30, 2011, the insured shall pay, on or before November 15,
99 2011, to the Commissioner of Revenue Services, on independently
100 procured insurance, in accordance with procedures established and on
101 forms provided by said commissioner, a sum equal to four per cent of
102 the gross premiums charged the insured by nonadmitted insurers
103 during such period.

104 (B) For the period beginning on or after October 1, 2011, and ending
105 December 31, 2011, the insured shall pay, on or before February 15,
106 2012, to the Commissioner of Revenue Services, on independently
107 procured insurance, in accordance with procedures established and on
108 forms provided by said commissioner, a sum equal to four per cent of
109 the gross premiums charged the insured by nonadmitted insurers
110 during such period.

111 (3) For calendar years beginning on or after January 1, 2012, the

112 insured shall pay to the Commissioner of Revenue Services, on
113 independently procured insurance, in accordance with procedures
114 established and on forms provided by said commissioner, (A) on or
115 before May fifteenth of each year in which nonadmitted insurance was
116 procured, continued or renewed, a sum equal to four per cent of the
117 gross premiums charged the insured by nonadmitted insurers during
118 the period from January first to March thirty-first of that year; (B) on or
119 before August fifteenth of each year in which nonadmitted insurance
120 was procured, continued or renewed, a sum equal to four per cent of
121 the gross premiums charged the insured by nonadmitted insurers
122 during the period from April first to June thirtieth of that year; (C) on
123 or before November fifteenth of each year in which nonadmitted
124 insurance was procured, continued or renewed, a sum equal to four
125 per cent of the gross premiums charged the insured by nonadmitted
126 insurers during the period from July first to September thirtieth of that
127 year; and (D) on or before February fifteenth of each year succeeding a
128 year in which nonadmitted insurance was procured, continued or
129 renewed, a sum equal to four per cent of the gross premiums charged
130 the insured by nonadmitted insurers during the period from October
131 first to December thirty-first of the preceding year.

132 (4) In the event of cancellation and rewriting of any nonadmitted
133 insurance contract, the premium for purposes of this section shall be
134 the premium in excess of the unearned premium on the cancelled
135 insurance contract.

136 (5) If, pursuant to subsection (l) of this section, the Commissioner of
137 Revenue Services enters into a cooperative agreement, reciprocal
138 agreement or compact with another state or states, and if the
139 provisions set forth in such agreement or compact are different from
140 provisions prescribed by this subsection, then the provisions set forth
141 in such agreement or compact shall prevail.

142 (h) Any insured, who fails to pay the tax within the time stated in
143 subsection (g) of this section, shall pay a penalty of ten per cent of the

144 tax not paid within the time so stated. Interest shall be added to the tax
145 at the rate of one per cent per month or fraction thereof from the date
146 such tax was due to the date paid. Subject to the provisions of section
147 12-3a, the Commissioner of Revenue Services may waive all or part of
148 the penalties provided under this section when it is proven to said
149 commissioner's satisfaction that the failure to pay any tax was due to
150 reasonable cause and was not intentional or due to neglect.

151 [(f)] (i) The Attorney General, upon request of the Commissioner of
152 Revenue Services, shall proceed in the courts of this or any other state
153 or in any federal court or agency to recover such tax not paid within
154 the time prescribed in this section, and any interest and penalty related
155 to such tax.

156 [(g)] (j) This section shall not be construed or deemed to abrogate or
157 modify any provision of section 38a-27 or 38a-271 to [38a-278,
158 inclusive] 38a-276, inclusive, as amended by this act, or section 38a-
159 278, but shall be construed in such a manner as to avoid preemption
160 under the Nonadmitted and Reinsurance Reform Act of 2010. This
161 section does not apply to individual life or individual disability
162 insurance or to wet marine or transportation insurance.

163 [(h)] (k) The provisions of sections 12-548 to 12-554, inclusive, and
164 section 12-555a shall apply to the provisions of this section in the same
165 manner and with the same force and effect as if the language of said
166 sections had been incorporated in full into this section and had
167 expressly referred to the tax under this section, except to the extent
168 that any such provision is inconsistent with a provision in this section.

169 (l) (1) The Commissioner of Revenue Services may enter into a
170 cooperative agreement, reciprocal agreement or compact with another
171 state or states to allocate among the states the nonadmitted insurance
172 premiums taxes paid to an insured's home state, as provided by
173 Section 521 of the Nonadmitted and Reinsurance Reform Act of 2010.

174 (2) The agreement or compact that the Commissioner of Revenue

175 Services is authorized to enter under this subsection shall include, but
176 shall not be limited to, the Nonadmitted Insurance Multistate
177 Agreement, as recommended by the National Association of Insurance
178 Commissioners.

179 (3) The agreement or compact that the Commissioner of Revenue
180 Services is authorized to enter under this subsection may provide that,
181 where this state is an insured's home state and where the
182 independently procured insurance covers properties, risks or
183 exposures located or to be performed both within and without this
184 state, (A) the sum payable by the insured to this state under this
185 section shall be computed based on that portion of the gross premiums
186 allocated to this state, based on a standardized premium allocation
187 adopted by the states under such agreement or compact, multiplied by
188 four per cent, (B) the sum payable by the insured to another state shall
189 be computed based on that portion of the gross premiums allocated to
190 such state, based on a standardized premium allocation adopted by
191 the states under such agreement or compact, multiplied by such state's
192 tax rate, and (C) to the extent that another state where properties, risks
193 or exposures are located has failed to enter into an agreement or
194 compact with this state, the portion of the gross premiums otherwise
195 allocable to such other state shall be allocated to this state.

196 (4) The agreement or compact that the Commissioner of Revenue
197 Services is authorized to enter under this subsection may provide for
198 (A) recordkeeping requirements, (B) audit procedures, (C) exchange of
199 information, (D) collection of taxes not paid by insureds within the
200 time required under this section, (E) disbursements of funds to other
201 states that are parties to such agreement or compact, and (F) any
202 additional provisions which will facilitate the administration of the
203 agreement or compact.

204 (5) Notwithstanding the provisions of section 12-15, the
205 Commissioner of Revenue Services may, under the terms of the
206 agreement or compact entered into under this subsection, disclose

207 return information, as defined in said section 12-15, relating to
208 insureds to any official of another state that is a party to such
209 agreement or compact whose official duties require such disclosure.

210 (6) The Commissioner of Revenue Services may enter into
211 cooperative agreements with processing entities located in this state or
212 other states related to the capturing and processing of nonadmitted
213 insurance premiums and nonadmitted insurance premiums tax data.
214 Notwithstanding the provisions of section 12-15, the Commissioner of
215 Revenue Services may, under the terms of any such cooperative
216 agreement, disclose return information, as defined in said section 12-
217 15, relating to insureds to any official of the processing entity whose
218 duties require such disclosure.

219 Sec. 2. Section 38a-743 of the general statutes is repealed and the
220 following is substituted in lieu thereof (*Effective from passage and*
221 *applicable to nonadmitted insurance coverage procured, continued or renewed*
222 *on or after July 1, 2011*):

223 (a) For purposes of this section:

224 (1) "Home state" means home state, as defined in Section 527 of the
225 Act;

226 (2) "Licensee" means a person, firm, association or corporation that
227 is licensed pursuant to the provisions of sections 38a-741 to 38a-744,
228 inclusive, 38a-777 and 38a-794 and that is a surplus lines broker, as
229 defined in Section 527 of the Act;

230 (3) "Nonadmitted and Reinsurance Reform Act of 2010" or "Act"
231 means Sections 511 to 542, inclusive, of the Dodd-Frank Wall Street
232 Reform and Consumer Protection Act, P.L. 111-203, 123 Stat. 1376;

233 (4) "Nonadmitted insurance" means nonadmitted insurance, as
234 defined in Section 527 of the Act; and

235 (5) "Nonadmitted insurer" means a nonadmitted insurer, as defined

236 in Section 527 of the Act.

237 [(a)] (b) Every person, firm, association or corporation licensed
238 pursuant to the provisions of sections 38a-741 to 38a-744, inclusive,
239 38a-777 and 38a-794 shall pay to the commissioner on May first of each
240 year a sum equal to four per cent of the gross premiums charged the
241 insureds by the insurers during the period from January first to March
242 thirty-first of that year, and on August first of each year a sum equal to
243 four per cent of the gross premiums charged the insured by the
244 insurers during the period from April first to June thirtieth of that year,
245 on November first of each year a sum equal to four per cent of the
246 gross premiums charged the insureds by the insurers during the
247 period from July first to September thirtieth of that year and on
248 February first of each year a sum equal to four per cent of the gross
249 premiums charged the insureds by the insurers during the period from
250 October first to December thirty-first of the preceding year, for
251 insurance procured by such licensee pursuant to such license, less the
252 amount of such premiums returned to such insureds, except that the
253 premium tax shall not apply to any policy issued to the state of
254 Connecticut or any agency [thereof] of the state or to any policy issued
255 to any town, or agency of such town or special taxing district when
256 said town, agency or department thereof or special taxing district
257 appears in the policy as the named insured and as such is responsible
258 for the payment of premiums shown on said policy. Each licensee shall
259 also file on May first, August first, November first, and February first a
260 return, in the form described by the commissioner, showing such
261 information as the commissioner deems necessary. The provisions of
262 this subsection shall not apply to nonadmitted insurance to the extent
263 that coverage is procured, continued or renewed on or after July 1,
264 2011.

265 (c) (1) With respect to nonadmitted insurance, where such coverage
266 is procured, continued or renewed on or after July 1, 2011, and where
267 this state is an insured's home state, every licensee shall pay a tax equal
268 to the sum of four per cent of the gross premiums charged such

269 insureds by nonadmitted insurers, irrespective of the fact that the
270 insurance policy may cover properties, risks or exposures located or to
271 be performed both within and without this state.

272 (2) (A) For the period beginning on or after July 1, 2011, and ending
273 September 30, 2011, a licensee shall pay, on or before November 15,
274 2011, to the Commissioner of Insurance, on nonadmitted insurance, in
275 accordance with procedures established and on forms provided by
276 said commissioner, a tax equal to the sum of four per cent of the gross
277 premiums charged insureds by nonadmitted insurers during such
278 period.

279 (B) For the period beginning on or after October 1, 2011, and ending
280 December 31, 2011, the licensee shall pay, on or before February 15,
281 2012, to the Commissioner of Insurance, on nonadmitted insurance, in
282 accordance with procedures established and on forms provided by
283 said commissioner, a tax equal to the sum of four per cent of the gross
284 premiums charged insureds by nonadmitted insurers during such
285 period.

286 (3) For calendar years beginning on or after January 1, 2012, the
287 licensee shall pay to the Insurance Commissioner, on nonadmitted
288 insurance, in accordance with procedures established and on forms
289 provided by said commissioner, (A) on or before May fifteenth of each
290 year in which nonadmitted insurance was procured, continued or
291 renewed, a tax equal to the sum of four per cent of the gross premiums
292 charged insureds by nonadmitted insurers during the period from
293 January first to March thirty-first of that year; (B) on or before August
294 fifteenth of each year in which nonadmitted insurance was procured,
295 continued or renewed, a tax equal to the sum of four per cent of the
296 gross premiums charged insureds by nonadmitted insurers during the
297 period from April first to June thirtieth of that year; (C) on or before
298 November fifteenth of each year in which nonadmitted insurance was
299 procured, continued or renewed, a tax equal to the sum of four per
300 cent of the gross premiums charged insureds by nonadmitted insurers

301 during the period from July first to September thirtieth of that year;
302 and (D) on or before February fifteenth of each year succeeding a year
303 in which nonadmitted insurance was procured, continued or renewed,
304 a tax equal to the sum of four per cent of the gross premiums charged
305 insureds by nonadmitted insurers during the period from October first
306 to December thirty-first of the preceding year.

307 (4) In the event of cancellation and rewriting of any nonadmitted
308 insurance contract, the premium for purposes of this section shall be
309 the premium in excess of the unearned premium on the cancelled
310 insurance contract.

311 (5) If, pursuant to subsection (g) of this section, the Insurance
312 Commissioner enters into a cooperative agreement, reciprocal
313 agreement or compact with another state or states, and if the
314 provisions set forth in such agreement or compact are different from
315 provisions prescribed by this subsection, then the provisions set forth
316 in such agreement or compact shall prevail.

317 [(b)] (d) Upon failure of any person to pay the premium tax due the
318 commissioner on its due date, there shall be added thereto a penalty
319 and interest, which interest shall [not be less than] be at the rate of one
320 per cent per month or fraction of a month which elapses from the due
321 date of such premium tax to the date of payment, and which penalty
322 shall be in the amount of ten per cent of the whole or such part of the
323 principal of the premium tax as is unpaid.

324 (e) This section shall be construed in such a manner as to avoid
325 preemption under the Nonadmitted and Reinsurance Reform Act of
326 2010.

327 (f) This section shall not apply to any policy issued to the state of
328 Connecticut or any agency of the state, or to any policy issued to any
329 Connecticut town, or agency of such town or special taxing district
330 when said town, agency or department thereof or special taxing
331 district appears in the policy as the named insured and as such is

332 responsible for the payment of premiums shown on said policy.

333 (g) (1) The Insurance Commissioner may enter into a cooperative
334 agreement, reciprocal agreement or compact with another state or
335 states to allocate among the states the nonadmitted insurance
336 premiums taxes paid to an insured's home state, as provided by
337 Section 521 of the Nonadmitted and Reinsurance Reform Act of 2010.

338 (2) The agreement or compact that the Insurance Commissioner is
339 authorized to enter under this subsection shall include, but shall not be
340 limited to, the Nonadmitted Insurance Multistate Agreement, as
341 recommended by the National Association of Insurance
342 Commissioners.

343 (3) The agreement or compact that the Insurance Commissioner is
344 authorized to enter under this subsection may provide that, where this
345 state is an insured's home state and where the nonadmitted insurance
346 covers properties, risks or exposures located or to be performed both
347 within and without this state, (A) the sum payable by a licensee to this
348 state under this section shall be computed based on that portion of the
349 gross premiums allocated to this state, based on a standardized
350 premium allocation adopted by the states under such agreement or
351 compact, multiplied by four per cent, (B) the sum payable by the
352 licensee to another state shall be computed based on that portion of the
353 gross premiums allocated to such state, based on a standardized
354 premium allocation adopted by the states under such agreement or
355 compact, multiplied by such state's tax rate, and (C) to the extent that
356 another state where properties, risks or exposures are located has
357 failed to enter into an agreement or compact with this state, the portion
358 of the gross premiums otherwise allocable to such other state shall be
359 allocated to this state.

360 (4) The agreement or compact that the Insurance Commissioner is
361 authorized to enter under this subsection may provide for (A)
362 recordkeeping requirements, (B) audit procedures, (C) exchange of
363 information, (D) collection of taxes not paid by insureds within the

364 time required under this section, (E) disbursements of funds to other
365 states that are parties to such agreement or compact, and (F) any
366 additional provisions that will facilitate the administration of the
367 agreement or compact.

368 (5) Notwithstanding any provision of section 12-15, the Insurance
369 Commissioner may, under the terms of the agreement or compact
370 entered into under this subsection, disclose information relating to
371 surplus lines brokers or nonadmitted insurance permitted to be placed
372 through surplus lines brokers to any official of another state that is a
373 party to such agreement or compact whose official duties require such
374 disclosure.

375 (6) The Insurance Commissioner may enter into cooperative
376 agreements with processing entities located in this state or other states
377 related to the capturing and processing of nonadmitted insurance
378 premiums and nonadmitted insurance premiums tax data.
379 Notwithstanding any provision of section 12-15, the Insurance
380 Commissioner may, under the terms of any such cooperative
381 agreement, disclose information relating to surplus lines brokers or
382 nonadmitted insurance permitted to be placed through surplus lines
383 brokers to any official of the processing entity whose duties require
384 such disclosure.

385 Sec. 3. Subsections (b) and (c) of section 38a-271 of the general
386 statutes are repealed and the following is substituted in lieu thereof
387 (*Effective from passage*):

388 (b) The provisions of sections 38a-271 to 38a-278, inclusive, as
389 amended by this act, other than section 38a-277, as amended by this
390 act, do not apply to: (1) The lawful transaction of surplus lines
391 insurance; (2) the lawful transaction of reinsurance by insurers; (3)
392 transactions, in this state, involving a policy lawfully solicited, written
393 and delivered outside of this state covering only subjects of insurance
394 not resident, located or expressly to be performed in this state at the
395 time of issuance, and which transactions are subsequent to the

396 issuance of such policy; (4) transactions involving contracts of
397 insurance independently procured pursuant to the unsolicited
398 application of the insured or his agent which are reported and on
399 which a premium tax is paid in accordance with section 38a-277, as
400 amended by this act; (5) attorneys acting in the ordinary relation of
401 attorney-client in the adjustment of claims or losses; (6) transactions, in
402 this state, involving contracts of insurance issued to one or more
403 industrial insureds, provided nothing herein shall relieve an industrial
404 insured from the taxation imposed upon independently procured
405 insurance in [subsection (c) of] section 38a-277, as amended by this act.
406 For the purpose of this subdivision, an "industrial insured" shall mean
407 an insured (i) which procures the insurance of any risk by the use of
408 the services of a full-time employee acting as an insurance manager or
409 buyer, or the services of a regularly and continuously retained
410 qualified insurance consultant and (ii) whose aggregate annual
411 premiums for insurance, excluding life, accident and health insurance,
412 total at least fifty thousand dollars; (7) transactions involving contracts
413 issued by a life insurance or annuity company, organized and operated
414 without profit, to any private shareholder or individual exclusively for
415 the purpose of aiding and strengthening educational institutions or
416 charitable, health and welfare organizations by issuing insurance and
417 annuity contracts only to or for the benefit of such institutions or
418 organizations and individuals engaged in the service of such
419 institutions or organizations; (8) transactions in this state involving
420 group life and group sickness and accident or franchise sickness and
421 accident insurance or group annuities where the master policy of such
422 groups was lawfully issued and delivered in and pursuant to the laws
423 of a state in which the insurer was authorized to do an insurance
424 business to a group organized for purposes other than the
425 procurement of insurance, and where the policyholder is domiciled or
426 otherwise has a bona fide situs; (9) transactions in this state involving
427 any policy of insurance or annuity contract issued prior to January 1,
428 1970.

429 (c) The provisions of section 38a-27 do not apply to: (1) The lawful

430 transaction of surplus lines insurance; (2) transactions, in this state,
431 involving a policy lawfully solicited, written and delivered outside of
432 this state covering only subjects of insurance not resident, located or
433 expressly to be performed in this state at the time of issuance, and
434 which transactions are subsequent to the issuance of such policy; (3)
435 transactions involving contracts of insurance independently procured
436 pursuant to the unsolicited application of the insured or his agent
437 which are reported and on which a premium tax is paid in accordance
438 with section 38a-277, as amended by this act; (4) attorneys acting in the
439 ordinary relation of attorney-client in the adjustment of claims or
440 losses; (5) transactions, in this state, involving contracts of insurance
441 issued to one or more industrial insureds, provided nothing in this
442 section shall relieve an industrial insured from the taxation imposed
443 upon independently procured insurance in [subsection (c) of] section
444 38a-277, as amended by this act; (6) transactions involving contracts
445 issued by a life insurance or annuity company, organized and operated
446 without profit, to any private shareholder or individual exclusively for
447 the purpose of aiding and strengthening educational institutions or
448 charitable, health and welfare organizations by issuing insurance and
449 annuity contracts only to or for the benefit of such institutions or
450 organizations and individuals engaged in the service of such
451 institutions or organizations; (7) transactions in this state involving
452 group life and group sickness and accident or franchise sickness and
453 accident insurance or group annuities where the master policy of such
454 group was lawfully issued and delivered in and pursuant to the laws
455 of a state in which the insurer was authorized to do an insurance
456 business to a group organized for purposes other than the
457 procurement of insurance, and where the policyholder is domiciled or
458 otherwise has a bona fide situs; (8) transactions in this state involving
459 any policy of insurance or annuity contract, other than a reinsurance
460 contract, issued prior to January 1, 1970. For the purposes of
461 subdivision (5) of this subsection, an "industrial insured" means an
462 insured (A) which procures the insurance of any risk by the use of the
463 services of a full-time employee acting as an insurance manager or

464 buyer, or the services of a regularly and continuously retained
465 qualified insurance consultant, and (B) whose aggregate annual
466 premiums for insurance, excluding life, accident and health insurance,
467 total at least fifty thousand dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to nonadmitted insurance coverage procured, continued or renewed on or after July 1, 2011</i>	38a-277
Sec. 2	<i>from passage and applicable to nonadmitted insurance coverage procured, continued or renewed on or after July 1, 2011</i>	38a-743
Sec. 3	<i>from passage</i>	38a-271(b) and (c)

Statement of Purpose:

To authorize the state to enter into an interstate compact to adopt uniform requirements, forms and procedures relating to the reporting, collection, payment and allocation of premium taxes due on nonadmitted insurance, and thereby avoid preemption under the federal Nonadmitted and Reinsurance Reform Act of 2010.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]