AN ACT AUTHORIZING AGENCY CAPTIVE INSURANCE COMPANIES.

As Amended by Senate "A" (LCO 3778)

House Calendar No.: 544
Senate Calendar No.: 208

OFA Fiscal Note

State Impact:

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Fund-Effect</th>
<th>FY 19 $</th>
<th>FY 20 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources of the General Fund</td>
<td>GF - Potential Revenue Gain</td>
<td>See Below</td>
<td>See Below</td>
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</tbody>
</table>

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes the establishment of agency captive insurance companies. To the extent that agency captive insurers choose to domicile in the state, the bill results in potential revenue gain to the General Fund from the following fees and taxes:

1. Non-refundable application fee: $800
2. Fee for initial license: $375
3. Annual license renewal: $375
4. Insurance premium taxes (less a non-refundable $7,500 credit for the captive’s first year)

There is no fiscal impact to the Insurance Department for the regulation of agency captive insurers as the Department already has a Captive Division with sufficient capacity to support the anticipated near-term growth.

Primary Analyst: MP
Contributing Analyst(s): CW
Senate “A” modifies the original bill by eliminating certain provisions and broadening others. To the extent these changes make Connecticut more attractive to prospective agency captive insurers, the amendment may result in additional fees and taxes as described above.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst’s professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

Sources:  Connecticut Insurance Department  
Department of Revenue Services Form 207C