

Legislative Program Review and Investigation Committee

Connecticut General Assembly

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SCOPE OF STUDY

Assessment Methodology and Process to Fund the Connecticut Insurance Department

Questions have been raised about the fairness of the way the Connecticut Insurance Department (CID) is funded. Domestic (Connecticut-domiciled) insurance companies are levied one type of assessment while non-domestic companies are charged based on fees for activities the department performs. This review would focus on the way Connecticut funds the insurance department, what the different categories insurance companies are assessed, and the basis and rationale for the assessments. The study will focus on four areas:

- the way different categories of insurance companies are assessed to fund the CID and its activities, as well as other state programs funded by insurance company assessments, and the amounts that result;
- the methodologies and mechanisms other states use to fund their insurance department activities, and the framework, basis, and process for any assessments or fees made in the various states;
- the trends in Connecticut in the number of insurance companies in the different assessment categories and the resulting amounts generated by category; and
- the scope and breadth of retaliatory tax laws and the implications of the treatment that Connecticut insurance companies might anticipate in other states if the methods of assessments were changed in Connecticut.

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