

# AN 2000(6)

## Connecticut Life and Health Insurance Guaranty Association - Refunded Assessments

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**PURPOSE:** This Announcement is to inform insurers that have been refunded any portion of an assessment paid to the Connecticut Life and Health Insurance Guaranty Association of their obligation to pay fifty percent (50%) of the refunded assessment to the Department of Revenue Services (DRS).

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**EFFECTIVE DATE:** Upon issuance.

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**STATUTORY AUTHORITY:** Conn. Gen. Stat. §38a-866, as amended by 2000 Conn. Pub. Acts 174, §50.

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**BACKGROUND:** The Connecticut Life and Health Insurance Guaranty Association (“Association”) is an association of insurers created by the Connecticut Life and Health Insurance Guaranty Association Act (“Act”), to enable the guaranty of payment of insurance benefits and of continuation of insurance coverages. The Association provides protection for policyowners, insureds, beneficiaries, annuitants, payees, and assignees of life insurance policies, health insurance policies, annuity contracts, and supplemental contracts, against failure in the performance of contractual obligations due to the impairment of the insurer issuing such policies or contracts.

Members of the Association are subject to assessment to provide funds to carry out the purpose of the Act. The board of directors of the Association may refund to member insurers the amount by which the assets of the Association exceed the amount the board finds is necessary to carry out the obligations of the Association during the coming year.

**ASSOCIATION TO NOTIFY DRS OF REFUNDED ASSESSMENT:** The Association is required to notify DRS whenever the Association has refunded any portion of an assessment paid under Conn. Gen. Stat. §38a-866 to member insurers.

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**PAYMENT REQUIRED BY OCTOBER 11, 2000:**

On or about September 11, 2000, the Association refunded to member insurers a portion of the 1997 assessment. Each member insurer, which offset the assessment payable in 1997 against its Connecticut insurance premiums tax liability, is required to pay DRS fifty percent (50%) of the refunded assessment. Payment is due on or before October 11, 2000.

**Interest paid by the Association on the refunded assessment is not included in determining the amount that must be paid to DRS.**

If the amount that a member insurer is required to pay to DRS is not paid on or before October 11, 2000, interest will accrue on the amount not paid at the rate of one percent (1%) per month or fraction of a month (from October 12, 2000, to the date of payment). Payment by check or money order made payable to “Commissioner of Revenue Services” must be mailed to:

Department of Revenue Services  
Attn: Robert Cournoyer  
Excise Tax Subdivision, Audit Division  
25 Sigourney Street  
Hartford, Connecticut 06106-5032

The member insurer's insurance premiums tax registration number and “Refunded Assessment” must be written on the front of the check or money order in the lower left corner.

If a member insurer did not offset the assessment payable during 1997 against its Connecticut insurance premiums tax liability, the member insurer must promptly advise DRS of this fact.

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**ASSESSMENT CREDITABLE AGAINST INSURANCE**

**PREMIUMS TAX:** Fifty percent (50%) of assessments paid to the Association prior to January 1, 2000, were creditable against the insurer's Connecticut insurance premiums tax liability. One hundred percent (100%) of assessments paid on or after January 1, 2000, are creditable against a member insurer's insurance premiums tax return. The credit is allocated over a five-year period. See **Special Notice 2000(12)**, *2000 Legislation Affecting the Insurance Premiums Tax and the Health Care Center Tax*, for details on how to apply assessments paid on or after January 1, 2000, against the insurance premiums tax return.

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**EFFECT ON OTHER DOCUMENTS:** None affected.

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**EFFECT OF THIS DOCUMENT:** Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies or practices.

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**FOR FURTHER INFORMATION ON THIS**

**ANNOUNCEMENT:** For further information on this Announcement, please contact Robert Cournoyer at DRS, 860-541-3234 (telephone) or 860-541-7698 (fax).

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**FOR FURTHER INFORMATION:** Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

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**FORMS AND PUBLICATIONS:** Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: [www.drs.state.ct.us](http://www.drs.state.ct.us)
  - **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
  - **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.
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