

Amendment to HB 1194-FN

1 Amend the bill by replacing section 1 with the following:

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3 1 Life and Health Insurance Guaranty Association of 2019; Credits for Assessments Paid. RSA  
4 408-F:13 is repealed and reenacted to read as follows:

5 408-F:13 Credits for Assessments Paid.

6 I. In this section:

7 (a) "Eligible assessment credits" means credits arising from assessments paid by a  
8 member insurer pursuant to RSA 408-F:9 that are otherwise allowable against tax liability under  
9 RSA 400-A.

10 (b) "Aggregate annual limitation" means the maximum amount of eligible assessment  
11 credits that may be recognized by all member insurers in any calendar year, as established in  
12 paragraph II.

13 (c) "Deferred credits" means eligible assessment credits that are not recognized in the  
14 calendar year in which they would otherwise be claimable solely by operation of the aggregate  
15 annual limitation.

16 (d) "Commissioner" means the commissioner of the insurance department.

17 II.(a) The total amount of eligible assessment credits recognized by all member insurers in  
18 any calendar year shall not exceed \$10,000,000.

19 (b) Eligible assessment credits shall be applied only after the full calculation of tax  
20 liability under RSA 400-A and shall not operate to reduce tax liability below zero.

21 (c) If eligible assessment credits otherwise claimable in a calendar year exceed the  
22 aggregate annual limitation, the amount of credit which each member company shall be permitted to  
23 carry forward will be calculated as the percentage of the member company's deferred credit relative  
24 to the total deferred credit.

25 (d) The portion of eligible assessment credits exceeding the aggregate annual limitation:

26 (1) Shall constitute deferred credits, and

27 (2) Shall remain valid eligible assessment credits subject solely to timing limitation  
28 under this section.

29 (e) Deferred credits shall be applied in the order in which they are accrued.

30 (f) Deferred credits shall not be transferred, assigned, or conveyed except as otherwise  
31 expressly authorized by statute.

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1           III.(a) Deferred credits may be carried forward for recognition for up to 7 consecutive  
2 calendar years following the year in which the credits first became deferred.

3           (b) Recognition of deferred credits in any calendar year shall remain subject to the  
4 aggregate annual limitation.

5           (c) No member insurer shall recognize more than 14.28 percent of the aggregate annual  
6 limitation in any calendar year from deferred credits, unless the commissioner determines that strict  
7 application of this limitation would materially impair the orderly administration of this section.

8           IV. In any calendar year in which the aggregate annual limitation is not reached, member  
9 insurers may recognize eligible assessment credits at a rate of 20 percent for 5 years.

10          V.(a) Member insurers shall report eligible assessment credits and deferred credits in a form  
11 and manner prescribed by the commissioner.

12          (b) Deferred credits shall not be treated as admitted assets except to the extent  
13 permitted under statutory accounting principles.

14          (c) Deferral of credits pursuant to this section shall not affect the legal status of the  
15 credit.

16          VI. If a member insurer ceases doing business, any uncredited assessments described above  
17 may be credited against its tax liability under RSA 400-A for the year it ceases doing business.

18          VII. Any sums acquired by refund from the association that were previously recognized as  
19 credits shall be remitted to the state in the manner required by the commissioner. The association  
20 shall notify the commissioner of such refunds.

21          VIII. The commissioner may adopt rules under RSA 541-A as necessary to implement and  
22 administer the provisions of this section.