# Senate Ways and Means Committee

*Sonja Caldwell 271-2117*

**HB 1194-FN,** relative to credits for assessments paid by insurers.

**Hearing Date**: April 1, 2026

**Members of the Committee Present**: Senators Lang, Murphy, Sullivan, Rosenwald and Fenton

**Members of the Committee Absent** : None

**Bill Analysis**: This bill:

I. Modifies how insurance companies can claim tax credits for assessments paid to the New Hampshire Life and Health Insurance Guaranty Association by providing that, for certain assessments made after the effective date of the act, a member insurer may reduce its tax liability by claiming 10 percent of the assessment per year for 10 consecutive years.

II. Exempts conduct of a sports book or participation in sports wagering from criminal gambling statutes in certain instances.

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**Sponsors**:
Rep. Janigian

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**Who supports the bill**: Rep. Tom Schamberg, Rep. John Janigian, Henry Veilleux (ACLI), DJ Bettencourt (NH Insurance Dept.), Keith Nyhan (NH Insurance Dept.), Amy Duhaime (NH Insurance Dept.), Cory Stone

**Who opposes the bill**: No one

**Who is neutral on the bill:** No one

**Summary of testimony presented**:
**Rep. Tom Schamberg**

- Rep. Schamberg introduced the bill and described it as a fiscal stability bill. He stated that it does not increase taxes, reduce consumer protections, or deny insurers reimbursement. It does prevent sudden, multi-million dollar hits to revenue.
- He said the bill sets out mechanical processes and controls timing.

- It protects the general fund from large revenue swings, improves budget predictability, keeps policyholder protections fully funded, and avoids the need for emergency fiscal adjustments following any insurer insolvencies.
- This $10 million cap smooths impacts on state revenue while ensuring insurers are repaid, just not all at once.

Sen. Lang stated that the bill as amended by the House has a seven-year span for the assessment and his amendment extends it to ten years. He asked Rep. Schamberg if he was ok with that.

Rep. Schamberg said he was.

**Rep. John Janigian**

- Rep. Janigian confirmed he had seen the amendment and was ok with it. He said he liked the fact that the Insurance Department and the industry came to an agreement.

Sen. Lang stated that the bill as passed by the House contains a seven-year window. His amendment extends it to a ten-year window to reduce the impact. He asked Rep. Janigian if he was ok with it.

Rep. Janigian said he was.

Sen. Lang asked that Amendment 1301s be distributed to the committee.

**Commissioner DJ Bettencourt and Keith Nyhan**

- Commissioner Bettencourt explained that when an insurer goes insolvent, the guaranty fund comes into play. He described it as a backstop.
- Every state has a guaranty fund.
- The fund is overseen by an association. When a carrier writes in a state, they are required to become a member of the guaranty association.
- The association will assess a carrier a calculation when an insurer goes insolvent. The carriers who are solvent will front the money that will help the consumers who have policies with the insurer that is going bankrupt.
- In NH, the solvent insurers then get a credit on their insurance premium tax to make them whole. They are reimbursed for fronting the money.
- Recently, a large company called Colorado Bankers Life went insolvent. The CEO was a crook. They were a North Carolina domestic insurer. As they went through the process of insolvency, the NH legislature was putting the budget together. The Department was trying to predict Insurance Premium Tax revenue while the insolvency was going on. This made it difficult to predict.
- The goal of this bill was to bring more structure and predictability to this process. They worked with the industry on the amendment.

**Keith Nyhan**

- Mr. Nyhan said there are two changes in the amendment. The bill as passed by the House proposes a $10 million cap. If the cap is exceeded, it would trigger a new arrangement of seven years and 14.28% for how the credits would be claimed over time. He said the Department realized that was impossible to administer in a way that would benefit taxpayers and industry.
- They worked out a compromise whereby we can eliminate the $10 million cap and change the current statute for claiming the credit from a five-year period at 20% to a ten-year period at 10%. This streamlines the ease with which the Department can implement the credit process and softens the impact on the IPT. It benefits both taxpayers and industry.

Commissioner Bettencourt added that it will benefit future legislatures in terms of predictability.

Sen. Rosenwald asked if we ever exceed the $10 million aggregate cap and if removing it exposes taxpayers to additional liability.

Mr. Nyhan said it does not. The cap was a concept the Department introduced in the original bill, however it created too many burdens. Eliminating the cap does not negatively impact the revenues.

Sen. Fenton asked how often these insurance companies are going insolvent.

Commissioner Bettencourt said often, but they are usually very small and don't reach the impact of a very large company such as was the case with Colorado Bankers Life. It is rare for a large insurer to go insolvent.

Mr. Nyhan said this is the only large insolvency they've seen in 30 years.

Commissioner Bettencourt added that we haven't had a NH based insurer go insolvent since the early 90's.

**Henry Veilleux - American Council of Life Insurers**

- The American Council of Life Insurers are the companies that front the money into the assessment when an insurer goes insolvent.
- This bill addresses the IPT and the credit the member companies can take against that tax.
- ACLI had issues with the original bill which had a more complicated model. They worked with the Department to come up with this simpler model.
- Mr. Veilleux explained that under current law, these companies get to take a 20% credit against IPT liability over 5 years. All this amendment does is stretch it out to a 10% credit over 10 years. The Department and the state realize a benefit.
- He emphasized that this would only occur in the instance of a catastrophic insurance failure. The benefit to the state is that the impact on revenue will be much less as it will be stretched out over ten years instead of five years.

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Date Hearing Report completed:  April 2, 2026