

HB 1194-FN - AS INTRODUCED

2026 SESSION

26-2748
05/08

HOUSE BILL ***1194-FN***

AN ACT relative to credits for assessments paid by insurers.

SPONSORS: Rep. Janigian, Rock. 25

COMMITTEE: Ways and Means

ANALYSIS

This bill allows member insurers to use eligible assessment credits to offset tax liability.

The bill is a request of the insurance department.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to credits for assessments paid by insurers.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Life and Health Insurance Guaranty Association of 2019; Credits for Assessments Paid.
2 Amend RSA 408-F:13 to read as follows:

3 408-F:13 Credits for Assessments Paid.

4 I. A member insurer may offset against its tax liability under RSA 400-A any assessment
5 described in RSA 408-F:9, II(b) for the life insurance and annuity account, and for the health account
6 for guaranteeing the performance of contractual obligations of an impaired or insolvent insurer [~~in~~
7 ~~regard~~] **solely as** to disability income coverages, only^[.] to the extent of 20 percent of the amount of
8 the assessment for each of the 5 **consecutive** calendar years **immediately** following the year in
9 which the assessment was paid, **and as follows:**

10 (a) **If the sum of all eligible assessment credits in any calendar year exceeds**
11 **\$10,000,000, the credit in that year shall be reduced from 20 percent to 10 percent; and**

12 (b) **Member insurers shall be prohibited from carrying forward or carrying back**
13 **any unused portion of the tax credit authorized under this section but may amend the tax**
14 **return in accordance with applicable law to claim such credit.**

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

17 [~~II.~~] III. Any sums acquired by refund from the association by member insurers, as stated in
18 RSA 408-F:9, VI, and which were previously offset against taxes as described in paragraph I, shall
19 be paid by these member insurers to the state of New Hampshire in the manner required by the
20 commissioner. The association shall notify the commissioner that refunds have been made.

21 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1194-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to credits for assessments paid by insurers.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
<i>Revenue Fund(s)</i>	General Fund			
Expenditures*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill modifies how insurance companies can claim tax credits for assessments paid to the NH Life and Health Insurance Guaranty Association (NHLHIGA) in an effort to limit large, unpredictable revenue losses in years with high NHLHIGA assessments. The NHLHIGA protects policyholders if a life or health insurance company becomes insolvent. If insolvency occurs, member insurers are assessed fees to cover claims and maintain coverage. These assessments can currently be offset against the Insurance Premium Tax (IPT) under RSA 408-F:13, up to 20% per year for 5 years (totaling 100%). This bill reduces the annual credit rate from 20% to 10% if the eligible credits exceed \$10 million in a year, reducing the immediate impact on the General Fund by half. The bill further clarifies when credits can be taken and that the credits cannot be carried forward.

The Department is not able to predict how much in NHLHIGA assessments will be levied in the future. These assessments only occur when an insurance company becomes insolvent, which is unpredictable. This bill does not reduce state revenue on its own, but rather limits how much the General Fund revenue could be reduced by capping the tax credit rate at 10% (instead of 20%) if total eligible credits exceed \$10 million in a year. The actual impact depends entirely on the size of the assessments levied by NHLHIGA and the amount of credits insurance companies claim against their Insurance Premium Tax.

It is assumed any fiscal impact would occur after FY 2026.

AGENCIES CONTACTED:

NH Insurance Department