

HB 1194-FN - AS AMENDED BY THE HOUSE

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2026 SESSION

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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. RSA
2 408-F:13 is repealed and reenacted to read as follows:

3 408-F:13 Credits for Assessments Paid.

4 I. In this section:

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

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

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

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

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

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

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

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

24 (1) Shall constitute deferred credits, and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HB 1194-FN- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2026-0799h)

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 14.285% per year for 7 years if the eligible credits exceed \$10 million in a year, reducing the immediate impact on the General Fund. 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 14.285% (instead of 20%) per year for 7 years 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