

New Hampshire Insurance Department



Senate Ways & Means
May 3, 2021

New Hampshire Insurance Department

Licensed Insurance Companies & Risk Retention Groups (Admitted Market)

Premium Tax Rates effective January 1, 2010 (NH RSA 400-A:32)

- 1.25 percent for Property & Casualty lines of business
- 2 percent for Accident & Health lines of business

There is a minimum annual premium tax of no less than \$200.

As of December 31, 2020, there are 1,148 insurance companies licensed and 82 risk retention groups registered that were required to file the New Hampshire 2020 Premium Tax Report on or before March 15th, 2021. In accordance with RSA 400-A:31 and 400-A:32, they will pay the premium tax due for calendar year 2020 less the estimated payment made in March 2020, as well as the estimated tax for calendar year 2021 premium tax.



New Hampshire Insurance Department

FISCAL YEAR 2021 GENERAL FUND REVENUE UPDATE

The Insurance Department's current revenue projections are as follows:

<u>Description</u>	FY 2021 Authorized <u>budget</u>	FY 2021 Revenue Projected as of <u>4/30/2021</u>
PREMIUM TAX LIABILITY	\$115,200,000	\$117,400,000
PREPAYMENT APPLIED	(112,400,000)	(115,400,000)
PREPAYMENT FOR FOLLOWING YEAR	115,200,000	117,400,000
NON-ADMITTED MARKET PREMIUM TAX	<u>4,000,000</u>	<u>4,600,000</u>
PREMIUM TAX REVENUE	\$122,000,000	\$124,000,000
LICENSE FEES AND PENALTIES	16,500,000	19,600,000
RSA 400-A:32 III (b) FUNDING GRANITE HEALTH TRUST FUND	<u>(7,600,000)</u>	<u>(8,600,000)</u>
TOTAL CASH BASIS	\$130,900,000	\$135,000,000



New Hampshire Insurance Department

As of April 30th, the fiscal year to date favorable variance is comprised of \$4.3 million in fees and \$3.4 million in tax revenue

The variance in fees is attributed to favorable variance in the producer and adjuster licensing fees. The tax revenue is attributed to the favorable variances in the other retaliatory taxes and credits taken.

Refunds are processed for premium tax returns with over payments are processed during April to June. It is expected that fiscal year 2021 will have a favorable variance of approximately \$4.1 million.



New Hampshire Insurance Department

FY 2022 and FY 2023 GENERAL FUND REVENUE PROJECTIONS

The Insurance Department's Agency Submission are as follows:

<u>Description</u>	<u>FY 2022</u>	<u>FY 2023</u>
PREMIUM TAX LIABILITY	\$113,700,000	\$115,900,000
PREPAYMENT APPLIED	(114,600,000)	(113,700,000)
PREPAYMENT FOR FOLLOWING YEAR	113,700,000	115,900,000
NON-ADMITTED MARKET PREMIUM TAX	<u>4,500,000</u>	<u>4,600,000</u>
PREMIUM TAX REVENUE	\$117,400,000	\$122,700,000
LICENSE FEES AND PENALTIES	18,000,000	18,000,000
RSA 400-A:32 III (b) FUNDING GRANITE HEALTH TRUST FUND	<u>(8,400,000)</u>	<u>(7,400,000)</u>
TOTAL CASH BASIS	\$127,000,000	\$133,300,000



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FY 2022 and FY 2023 GENERAL FUND REVENUE UPDATED PROJECTIONS

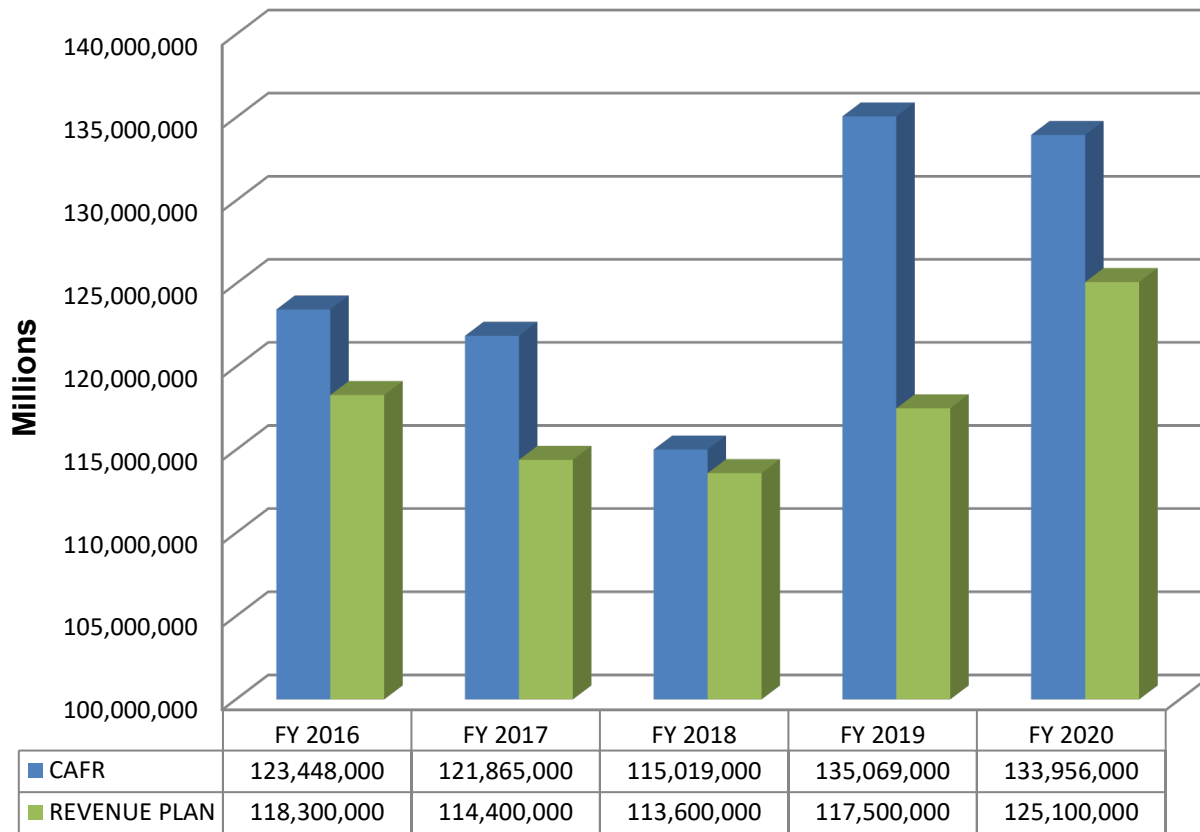
Based upon the updated premium tax base, tax credits, and fee data, the projections for FY 2022 and FY 2023 are increased \$3 million and \$1.7 million respectively.

<u>Description</u>	<u>FY 2022</u>	<u>FY 2023</u>
PREMIUM TAX LIABILITY	\$116,200,000	\$118,600,000
PREPAYMENT APPLIED	(117,400,000)	(116,200,000)
PREPAYMENT FOR FOLLOWING YEAR	116,200,000	118,600,000
NON-ADMITTED MARKET PREMIUM TAX	<u>4,600,000</u>	<u>4,600,000</u>
PREMIUM TAX REVENUE	\$119,600,000	\$125,600,000
LICENSE FEES AND PENALTIES	19,000,000	18,000,000
RSA 400-A:32 III (b) FUNDING GRANITE HEALTH TRUST FUND	<u>(8,600,000)</u>	<u>(8,600,000)</u>
TOTAL CASH BASIS	\$130,000,000	\$135,000,000



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GENERAL FUND INSURANCE REVENUE ACTUAL to PLAN FY 2016 to FY 2020



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QUESTIONS?

