

SCS SB 309 -- SURPLUS LINES INSURANCE

SPONSOR: Stouffer (Faith)

COMMITTEE ACTION: Voted "do pass" by the Committee on Transportation by a vote of 10 to 0.

This substitute changes the laws regarding surplus lines insurance. In its main provisions, the substitute:

- (1) Requires the Department of Insurance, Financial Institutions, and Professional Registration to publish notices declaring a surplus lines insurer ineligible in a public electronic format;
- (2) Requires taxes formerly remitted to the Director of the Department of Insurance, Financial Institutions, and Professional Registration to be remitted to the Department of Revenue;
- (3) Requires surplus lines insurers to file information regarding the gross amounts charged for surplus lines insurance and the amount of net premiums on a quarterly basis;
- (4) Allows the Director of the Department of Insurance, Financial Institutions, and Professional Registration to bring a lawsuit against a surplus lines licensee for unpaid penalties and interest. Currently, a lawsuit can only be brought against a licensee for unpaid taxes;
- (5) Clarifies that all taxes, penalties, and interest or delinquent taxes must be paid to the Department of Revenue, which must notify the Director of the Department of Insurance, Financial Institutions, and Professional Registration of the sums collected from each surplus lines licensee; and
- (6) Repeals a provision which requires surplus lines licensees to file certain information with the Department of Insurance, Financial Institutions, and Professional Registration within 30 days of placing any surplus lines insurance policy.

FISCAL NOTE: No impact on state funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that directly sending the tax to the Department of Revenue instead of the Department of Insurance, Financial Institutions, and Professional Registration will be more efficient. This is the only line of insurance that is required to send the taxes to the Department of Insurance, Financial Institutions, and Professional Registration which then forwards it to the Department of Revenue.

Testifying for the bill were Senator Stouffer; and Department of Insurance, Financial Institutions, and Professional Registration.

OPPONENTS: There was no opposition voiced to the committee.