

Premium Surcharge Rate Adjustment

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE
Frankfort, Kentucky

BULLETIN
2010-02

The following Bulletin is to advise the reader of the current position of the Kentucky Department of Insurance (the "Department") on the specified issue. The Bulletin is for informational purposes only and is not legally binding on either the Department or the reader.

TO: All Insurers, other than Life or Health Insurers, Issuing Policies in Kentucky;
All Surplus Lines Brokers Exporting Insurance in Kentucky; and
All Licensed Agents Transacting Insurance in Kentucky.

FROM: Sharon P. Clark, Commissioner
RE: Premium Surcharge Rate Adjustment
DATE: January 15, 2010

PREMIUM SURCHARGE PER KRS 136.392(1):

Pursuant to KRS 136.392(1)(b), the commissioner of revenue shall advise the commissioner of insurance of any adjustment in the premium surcharge rate and the commissioner of insurance shall inform affected insurers of the adjustment.

Insurers, surplus lines brokers, and agents are hereby given notice that the premium surcharge, as described in KRS 136.392(1)(a), that is required to be paid by all domestic, foreign, or alien insurers, other than life and health insurers, will increase from \$1.50 to \$1.80 per \$100 of premiums, assessments, or other charges for insurance coverage provided to policyholders on risks located in Kentucky. The adjustment to the premium surcharge rate shall be effective on and after April 1, 2010, and shall be collected from policyholders at the same time and in the same manner that the premium or other charge for the insurance coverage is collected by the insurer or the surplus lines broker.

EXCEPTIONS:

It should be noted that the exceptions listed in KRS 136.392(5) remain in full force and effect. Also be advised as follows:

- Municipal premium taxes imposed pursuant to KRS 91A are not to be included in calculation of the premium surcharge;
- Life and health insurers are not subject to the premium surcharge imposed by KRS 136.392; and
- Pursuant to KRS 342.122(1)(e), the premium surcharge shall not be imposed on Workers' Compensation premium.

This Bulletin and applicable statutes are available on the Department's website, www.doi.state.ky.us. Any questions regarding the premium surcharge rate adjustment or interpretations of this Bulletin should be directed to Matt Warfield, Miscellaneous Tax Branch Manager, Kentucky Department of Revenue, (502) 564-9300, Matt.Warfield@ky.gov.

/s/ Sharon P. Clark
Sharon P. Clark, Commissioner
Kentucky Department of Insurance
On this 15th day of January, 2010

Clarification of Bulletin 2010-02 Premium Surcharge Rate Adjustment