SENATE BILL NO. 140–SENATOR O'CONNELL

FEBRUARY 8, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Requires insurers to include certain information concerning general premium tax on notices of renewal. (BDR 57-468)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to insurance; requiring insurers to include certain information concerning the general premium tax on notices of renewal sent to insureds; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 680B of NRS is hereby amended by adding thereto a new section to read as follows:

If an insurer includes any portion of the general premium tax which the insurer is required to pay pursuant to NRS 680B.027 in the amount billed to its insureds for the premium for insurance, the insurer shall state separately on each notice of renewal sent to its insureds the portion of the premium that is attributable to the general premium tax.

Sec. 2. NRS 680B.025 is hereby amended to read as follows:

680B.025 For the purposes of NRS 680B.025 to 680B.039, inclusive ~~[:]~~ ***, and section 1 of this act:***

1. "Total income derived from direct premiums written":

(a) Does not include premiums written or considerations received from life insurance policies or annuity contracts issued in connection with the funding of a pension, annuity or profit-sharing plan qualified or exempt pursuant to sections 401, 403, 404, 408, 457 or 501 of the United States Internal Revenue Code as renumbered from time to time.

(b) Does not include payments received by an insurer from the Secretary of Health and Human Services pursuant to a contract entered into pursuant to section 1876 of the Social Security Act ***,*** ~~[(]~~ 42 U.S.C. § 1395mm ***.*** ~~[).]~~

(c) As to title insurance, consists of the total amount charged by the company for the sale of policies of title insurance.

2. Money accepted by a life insurer pursuant to an agreement which provides for an accumulation of money to purchase annuities at future dates may be considered as “total income derived from direct premiums written” either upon receipt or upon the actual application of the money to the purchase of annuities, but any interest credited to money accumulated while under the latter alternative must also be included in “total income derived from direct premiums written,” and any money taxed upon receipt, including any interest later credited thereto, is not subject to taxation upon the purchase of annuities. Each life insurer shall signify on its return covering premiums for the calendar year 1971 or for the first calendar year it transacts business in this state, whichever is later, its election between those two alternatives. Thereafter an insurer shall not change his election without the consent of the commissioner. Any such money taxed as “total income derived from direct premiums written” is, in the event of withdrawal of the money before its actual application to the purchase of annuities, eligible to be included as “return premiums” pursuant to the provisions of NRS 680B.030.

~