



SPONSOR: Rep. Mitchell & Sen. Bushweller
Reps. Brady, Dukes, Gray, Jaques, J. Johnson, Q. Johnson,
Paradee, B. Short, Spiegelman, Wilson

HOUSE OF REPRESENTATIVES

147th GENERAL ASSEMBLY

HOUSE BILL NO. 213
AS AMENDED BY
HOUSE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO INSURANCE FEES AND TAXES TO ESTABLISH MEDICAL INSURANCE FOR RETIRED STATE, COUNTY, AND MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

Section 1. Amend § 1925, Title 18 of the Delaware Code by making insertions as shown by underlining and deletions as shown by strikethrough as follows:

(a) The Commissioner shall ensure that reasonable measures are developed to recover insurance taxes and other amounts due this State during each year.

(b) Every surplus lines broker shall collect and pay to the State Treasurer through the Commissioner a ~~2~~3 percent tax on the gross premiums charged, less any returned premiums and exclusive of sums collected to cover federal and state taxes and examination fees, for insurance placed or procured under his or her surplus lines license in which this State is the home state of the insured.

(c) For the purposes of this section, if a surplus lines policy procured through a surplus lines broker covers properties, risks, or exposures only partially located or to be performed in this State, but this State is the home state of the insured, all premium for the policy shall be considered written on properties, risks, or exposures located or to be performed in this State.

(d) The tax on any portion of the premium unearned at termination of insurance having been credited by the State to the surplus lines producer must be returned to the policyholder directly by the surplus lines producer. The surplus lines producer is prohibited from rebating, for any reason, any part of the tax.

(e) Annually, on or before March 1, unless more frequent reporting and payment is ordered by the Commissioner, each surplus lines broker shall pay the premium tax due according to subsection (b) of this section for the policies written during the preceding calendar year as shown by his or her annual statement filed with the Commissioner pursuant to § 1924 of this title. Payment shall accompany such forms and shall be made in such manner as is prescribed by the Commissioner.

(f) One-third of the funds received by the Insurance Commissioner in accordance with the provisions of § 1925(b) of this title shall be paid to the State Treasurer and shall be set aside as a special fund to provide funding for health insurance premiums for retired county and municipal police and firefighters as authorized in § 1928(a)(1) of this title. These funds shall be paid out by the State Treasurer to the Board of Pension Trustees. The State Treasurer shall determine the total number of state, county and municipal police from an annual registry in accordance with § 709(a) of this title, and shall make distribution proportionately and on a per capita basis, to the Board of Pension Trustees.

Section 2. Amend Chapter 19, Title 18 of the Delaware Code by adding a new §1928 by making insertions as shown by underlining as follows:

§ 1928. Distribution of proceeds of special revenue for benefit of police retiree health insurance.

(a)(1) The payments to the Board of Pension Trustees referred to in §1925(f) of this chapter for a county or municipality that has elected to participate in the State-administered County and Municipal Police/Firefighter Pension Plan in accordance with Chapter 88 of Title 11, shall be deposited into a special fund, to be managed by the State Board of Pension Trustees, to provide health insurance premiums for retired county and municipal police and firefighters. The State Board of Pension Trustees shall allocate the funds deposited in this special fund on an annual basis to provide up to 80% of the cost of retiree health insurance contingent on the availability of funds. The retiree's premium would be the difference between the total cost and what is available from the special fund.

(2) The payments to the Board of Pension Trustees referenced in §1925(f) of this chapter for the State Police shall be deposited into the Other Post-Employment Benefits Fund established by §5281 of Title 29, to provide for the State's health insurance premiums for retired State Police.

(b) Any funds on deposit in this special fund, including accumulated income, shall revert to the General Fund, if such funds are not utilized for retiree health insurance within 5 years from the date of deposit into the special fund.

Section 3. The provisions of Section 2 of this bill shall become effective July 1 of the year following enactment of this legislation for those retirees that are collecting a survivor pension on the effective date and for those employees who retire on or after the effective date.