

## CHAPTER 114: INSURANCE COMPANIES

### Section

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### **§ 114.01 IMPOSITION OF LICENSE FEE.**

There is hereby imposed on each insurance company a license fee for the privilege of engaging in the business of insurance within the corporate limits of the city, on a calendar-year basis.

### **§ 114.02 AMOUNT OF FEE FOR COMPANIES ISSUING LIFE INSURANCE.**

The license fee imposed upon each insurance company which issues life insurance policies on the lives of persons residing within the corporate limits of the city shall be set by City Council at a percentage of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies.

(KRS 91A.080(2))

### **§ 114.03 AMOUNT OF FEE FOR COMPANIES ISSUING POLICIES OTHER THAN LIFE INSURANCE.**

The license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be a percentage of the premiums actually collected within each calendar quarter by reason of the issuance of such policies on risks located within the corporate limits of the city on those classes of business which such company is authorized to transact, less all premiums returned to policyholders; however, any license fee or tax imposed upon premium receipts shall not include premiums received for insuring employers against liability for personal injuries to their employees, or death caused thereby, under the provisions of the Workers' Compensation Act and shall not include

premiums received on policies of group health insurance provided for state employees under KRS 18A.225(2) and 18A.228 or, premiums received by any state employee benefit fund created pursuant to KRS Chapter 18A for the purpose of providing health benefits to state employees.  
(KRS 91A.080(3), (10))

#### § 114.04 DUE DATE; INTEREST.

(A) All license fees imposed by this chapter shall be due no later than 30 days after the end of each calendar quarter.  
(KRS 91A.080(8))

(B) (1) Any insurance company or agent that overpays any license fee or tax to a city shall be refunded the amount overpaid. If it is determined that an insurance company or agent paid a license fee or tax to a city based upon premiums collected upon lives or risks which are discovered to be located outside the legal corporate limits of the city which was paid the license fee or tax, the insurance company or agent shall be refunded those license fees and taxes within 90 days of notice to the city paid.

(2) License fees which are not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until paid.  
(KRS 91A.080(9))

#### § 114.05 WRITTEN BREAKDOWN OF COLLECTIONS.

Every insurance company subject to the license fees imposed by this chapter shall annually, by March 31, furnish the city a written breakdown of all collections in the preceding calendar year for the following categories of insurance:

(A) Casualty.

(B) Automobile.

(C) Inland marine.

(D) Fire and allied perils.

(E) Health.

(F) Life.

(KRS 91A.080(8))

**§ 114.06 REFUND OF INSURANCE PREMIUM TAX ERRONEOUSLY PAID.**

(A) Whenever it appears that an amount of tax, interest or penalty has been paid in error to the city by a person, firm or corporation, remitting said tax directly to the city or to the Department of Insurance for payment of the city, whether such sum be paid through mistake of fact or an error in law other than an error resulting from any provision of this section being declared invalid or unconstitutional, but not later than three years from the date upon which such payment was made, such person, firm or corporation may file a claim at the city's option for credit or refund with the City Treasurer on forms provided by the city for that purpose. No credit or refund shall be allowed for any amount paid by such person, firm or corporation unless it appears that the amount requested has been unconditionally repaid to that person, firm or corporation, from whom the requesting party has collected the tax imposed by this section.

(B) Any credit or refund that is allowed under this section shall bear interest at the rate of 1/2 of 1% per month from and after the date the city receives a request for a refund.

(C) A claim for credit or refund shall be considered to have been filed with the city on the date upon which it is received by the city and upon the city's receipt of a claim for credit or refund under this section the city acknowledges same by a written receipt issued by the City Treasurer, the City Attorney, or any persons designated by the Mayor to act on the city's behalf, said receipt shall describe the claim in sufficient detail to identify it; state the date on which the claim was received by the city and include those form or forms to be completed by the company, firm or corporation required to obtain the requested refund.

(D) As soon as practicable after the city receives those completed forms the city requires for obtaining a requested credit or refund, the City Treasurer shall examine same and determine the amount of any credit or refund due, if any, and the city shall issue a Notice of Tentative Determination of the claim and the city shall notify that person, firm or corporation requesting the refund of that determination. If the person, firm or corporation requesting the credit or refund disagrees with that determination, they may file a protest and file a request for a hearing before the City Council within 20 days after the date the Notice of Tentative Determination of claim has been mailed to them. Upon receipt of a protest the City Clerk shall notify the Mayor and the Mayor shall schedule a hearing on the protest and the hearing shall be placed on the agenda for the next City Council meeting and the city shall give the person, firm or corporation notice of the date and time of the hearing provided however that said notice shall be given not less than seven days prior to the date of the hearing. At the hearing any determination made by the City Treasurer shall be prima facie correct and the burden will be upon the protesting party to establish that the determination was incorrect. At the conclusion of the hearing before the city or within 30 days from that date a written decision signed by the Mayor shall be served upon the party that requested the hearing. This decision shall be a final determination subject only to judicial review in that manner provided for administrative hearings under KRS 13B.140.

(E) The City Treasurer may in his or her discretion issue a letter of credit instead of a refund to any person, firm or corporation that has claimed a refund if it appears same can be utilized in the future.  
(Ord. 07-07-01, passed 7-16-07)

