



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

AN 2011(2)

25 Sigourney Street Ste 2
Hartford CT 06106-5032

ANNOUNCEMENT

**Assessments Refunded by
Connecticut Insurance Guaranty Association**

Purpose: This Announcement informs each insurer that is a member of the Connecticut Insurance Guaranty Association (CIGA) (member insurer) that on or before Monday, February 14, 2011, the member insurer must pay a portion of the recently refunded assessments, as described in this Announcement, to the Department of Revenue Services (DRS).

Effective Date: Upon issuance.

Statutory Authority: Conn. Gen. Stat. §38a-841(c)(1), as amended by 2010 Conn. Pub. Acts 5, §40.

Payment by Member Insurers Required On or Before February 14, 2011: On or about December 30, 2010, CIGA mailed to member insurers an Assessment Statement with a December 27, 2010, Assessment Date (December 27, 2010, Assessment Statement) and refunded to its member insurers a portion of prior CIGA assessments made to meet CIGA's obligations with respect to Credit General Insurance Company, Reliance Insurance Company, and PHICO Insurance Company. For Connecticut insurance premiums tax purposes, a CIGA assessment paid by a member insurer during a calendar year beginning on or after January 1, 2000, is permitted to be offset against the member insurer's Connecticut insurance premiums tax liability for the five calendar years following the calendar year during which the CIGA assessment was paid (with 20% of the assessment permitted to be offset in each of those five calendar years) provided, if a CIGA assessment paid during a calendar year beginning on or after January 1, 2000, is refunded to a member insurer, the member is required to pay the amount of the refunded assessment to DRS.

Each member insurer is now required to pay to DRS the total of:

- The amount entered in parentheses in the row for "Credit General Insurance Company" under the column headed "Amount Payable" on the December 27, 2010, Assessment Statement;
- The amount entered in parentheses in the row for "Reliance Insurance Company" under the column headed "Amount Payable" on the December 27, 2010, Assessment Statement; **and**
- The amount entered in parentheses in the row for "PHICO Insurance Company" under the column headed "Amount Payable" on the December 27, 2010, Assessment Statement.

The prior CIGA assessments made to meet CIGA's obligations with respect to Union Indemnity Insurance Company, Transit Casualty Company, Midland Insurance Company, American Mutual Insurance Company of Boston, American Universal Insurance Company, and Abington Mutual Insurance Company were payable by a member insurer during a calendar year beginning prior to January 1, 2000. For Connecticut insurance premiums tax purposes, CIGA assessments paid by a member insurer during calendar years beginning prior to January 1, 2000, were not permitted to be offset against the member insurer's Connecticut insurance premiums tax liability. Therefore, no amount of the assessments shown on the December 27, 2010, Assessment Statement as refundable to the member insurer with respect to Union Indemnity Insurance Company, Transit Casualty Company, Midland Insurance Company, American Mutual Insurance Company of Boston, American Universal Insurance Company, or Abington Mutual Insurance Company is required to be paid to DRS.

Payment Due Date: Payment is due to DRS on or before the 45th day after the date of mailing of the refunds. Because the 45th day after the date of mailing of the refunds is Sunday, February 13, 2011, and the next business day that is not a Saturday, Sunday, or legal holiday is Monday, February 14, 2011, payment is due to DRS on or before Monday, February 14, 2011. If the amount that a member insurer is required to pay to DRS is not paid on or before February 14, 2011, interest will accrue on the amount not paid at the rate of 1% per month or fraction of a month from February 14, 2011, to the date of payment.

Make your check payable to **Commissioner of Revenue Services**. DRS may submit your check to your bank electronically.

To insure the proper crediting of your payment:

1. The member insurer's Connecticut Tax Registration Number and "Refunded Assessment" must be written in the lower left hand corner of the check;
2. A copy of the member insurer's December 27, 2010, Assessment Statement must be enclosed with the payment; **and**
3. Payment must be sent to:

Attn: Eloise Perry, Audit Division
Excise & Public Services Subdivision
Department of Revenue Services
State of Connecticut
25 Sigourney Street
Hartford Connecticut 06106-5032

If a member insurer did not offset any portion of an original assessment by CIGA with respect to Credit General Insurance Company (December 29, 2003, Assessment Statement), Reliance Insurance Company (December 28, 2001, Assessment Statement), or PHICO Insurance Company (December 29, 2003, Assessment Statement) against its Connecticut insurance premiums tax liability for any calendar year, the member insurer must promptly advise DRS of this fact.

For More Information Regarding Refunded CIGA Assessments: Call Robert Cournoyer during business hours, Monday through Friday, at 860-541-3234.

Effect of This Document: Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential):

Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or log directly into the *TSC* to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the *TSC*. Log in and select the *Make Payment Only* option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *e-alerts* from the left navigation bar.

Effect on Other Documents: None.