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## **NH legislative update**

As we have consistently reported in our publications, a number of proposals tracked by PIANH continue to receive attention in the statehouse. As the representative for independent insurance agents throughout the granite state, PIANH continues to monitor, and when appropriate, testify in favor or against these various proposals that may affect you as an independent agent. The following are some of the substantial actions taken since we last reported to you:

**Efforts to close budget gap continue—House passes premium tax increase, new estate tax, Senate nonconcur, moves gambling proposal, governor looks for cuts.** A proposal (SB 450-FN) was passed recently by the House which would have increased the premium tax on domiciled insurance carriers from 1 ¼ percent to 2 percent. Critics argued that the move would conflict with the previous roll-back of the tax enacted in 2006 which was designed to enhance the insurance industry's presence in New Hampshire. Carrier associations urged their agents to convey their opposition to the tax increases contained this proposal. The proposal would have also hiked the NH estate tax for all estates in excess of \$2 million at 8 percent. The bill was then sent to the Senate, which nonconcurred and instead moved a proposal (HB1128 with a 102-page floor amendment) designed to increase state general fund expenditures through gambling. The Governor continues to push for more spending cuts. Stay tuned as this issue continues to develop.

**Rebating law change heads to governor's desk.** A proposal tracked by PIANH and introduced at the request of the Insurance Department, (HB1208), was passed by the Senate with a slight amendment (with which the House concurred). This bill will be going to the Governor's desk for signature. The proposal would provide new exceptions to the anti-rebating law relative to the giving of promotional items to consumers and raffles or drawings conducted in connection with the marketing or promotion of property and casualty insurance products. This step brings the proposal one-step closer to becoming law. New Hampshire's current anti-rebating law (RSA 402:39) prohibits an insurance company or producer from giving anything of value as an inducement to purchase insurance, unless the thing of value is specifically referenced in the policy itself. Knowingly giving (directly or indirectly) a rebate as an inducement to purchase insurance is also an unfair trade practice in violation of RSA 417:4, IX (a). Producers are encouraged to review guidance on the issue of rebating provided by the department at: [http://www.nh.gov/insurance/producers/documents/reb\\_laws.pdf](http://www.nh.gov/insurance/producers/documents/reb_laws.pdf).

**Underwriting on the basis of credit information passed.** A proposal being tracked by PIANH (HB 1236) was recently passed by the Senate with no amendments. The proposal would make it illegal for an insurer to cancel, refuse to write or refuse to renew a policy of automobile insurance solely on the basis of credit information obtained from a credit rating, a credit history, or a credit scoring model, without consideration of any other applicable and permitted underwriting factors independent of credit information. The proposal applies to both automobile and property and liability insurance. The bill has been passed by both the House and Senate.