

Payments to the Insurance Fund

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Issue

This report provides an overview of assessments and fees insurers and related entities pay into Connecticut's Insurance Fund, including who pays them, what they cover, and when they began being paid from the fund.

Summary

Connecticut established its Insurance Fund in 1991, primarily to pay for the Insurance Department's expenses ([CGS § 38a-52a](#)). Today, the Insurance Fund is used to finance all or part of (1) the operations of several agencies (e.g., the Insurance Department, the Office of the Healthcare Advocate (OHA)) and the Office of Health Strategy (OHS) and (2) certain state public health programs. Programs paid for from the Insurance Fund include fall prevention, immunizations, syringe services, AIDS services, breast and cervical cancer detection and treatment, x-ray screening and tuberculosis care, sexually transmitted disease control, and children's health initiatives.

The Insurance Fund is capitalized by three assessments and fees on insurers and related entities: the general assessment, the health and welfare fee, and the public health fee. All domestic insurers and health care centers (i.e., HMOs) pay the general assessment. Domestic insurers and HMOs doing health insurance business in the state pay the health and welfare and public health fees. Licensed third-party administrators (TPAs) and domestic insurers not subject to TPA licensure servicing self-insured health benefit plans also pay the health and welfare fee.

Table 1 below identifies these assessments and fees and the purposes of each. It also identifies legislation, where available, relating to each being paid from the Insurance Fund. (For additional information on the Connecticut Insurance Fund, see OLR Issue Brief [2023-R-0156](#).)

Table 1: Assessments and Fees Paid Into the Insurance Fund

Assessment or Fee	Expenses Covered	Relevant Acts
General Assessment (CGS § 38a-47)	<ul style="list-style-type: none"> Connecticut Insurance Department (all expenditures) OHA (all expenditures) OHS (all expenditures except the Health Systems Planning Unit and Certificate of Need Unit, which are paid for from the General Fund) capital equipment expenses for each of the above, except for OHS's Health Systems Planning Unit Department of Administrative Services (DAS) (human resource and information technology services for each of the above)* Department of Aging and Disability Services (fall prevention program) Department of Housing (DOH) (homeowner advocate)* Department of Mental Health and Addiction (DMHAS) (young adult services program)* Office of Policy and Management (OPM) (long-term care partnership program)* <p>(The Office of the Behavioral Health Advocate, created by PA 23-101, § 10, is also within the Insurance Department for administrative purposes per CGS § 38a-1060 and paid for from the Insurance Fund's general assessment)</p> <p>*These are not specified in statute as being paid for from the general assessment but are based on the Office of Fiscal Analysis' (OFA) budget review. According to OFA, funding from the Insurance Fund for these agencies began in the following fiscal years:</p> <ul style="list-style-type: none"> DAS in FY 23 DOH in FY 18 DMHAS in FY 14 OPM in FY 11 	<p>PA 91-14, June Special Session, § 12, moved the assessment from the General Fund to the Insurance Fund, which the act established</p> <p>PA 01-9, June Special Session, § 66, added the Office of the Healthcare Advocate's predecessor office to the Insurance Fund's general assessment</p> <p>PA 09-5, September Special Session, § 53, created the fall prevention program and funded it through the Insurance Fund's general assessment</p> <p>PA 17-2, June Special Session, § 347, created the DOH homeowner advocate</p> <p>PA 18-91, § 64, funded OHS through the Insurance Fund's general assessment (prior to this, OHS was within the Department of Public Health (DPH) for administrative purposes)</p>

Table 1 (continued)

Assessment or Fee	Expenses Covered	Relevant Acts
Health and Welfare Fee (CGS § 19a-7i)	<p>Pays expenses of DPH's immunization services program, including:</p> <ul style="list-style-type: none"> • purchase, storage, and distribution of childhood vaccines • other vaccine, biologic, and antibiotic purchase and distribution • immunization information system 	<p>PA 03-3, June Special Session, § 6, created the fee and directed deposits to the General Fund</p> <p>PA 14-217, § 66, directed deposits to the Insurance Fund instead of the General Fund</p>
Public Health Fee (CGS § 19a-7p)	<p>Pays expenses of multiple DPH programs, including:</p> <ul style="list-style-type: none"> • syringe services program • AIDS services • breast and cervical cancer detection and treatment • x-ray screening and tuberculosis care • sexually transmitted disease control • children's health initiatives 	<p>Prior to 2015, these were part of the General Fund appropriations to DPH</p> <p>PA 15-5, June Special Session, § 345, moved funding from the General Fund to the Insurance Fund for the first five items</p> <p>PA 17-4, June Special Session, §§ 16 & 17, moved DPH's children's health initiatives account from the General Fund to the Insurance Fund</p> <p>PA 19-117, § 72, added children's health initiatives to the public health fee</p>

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