

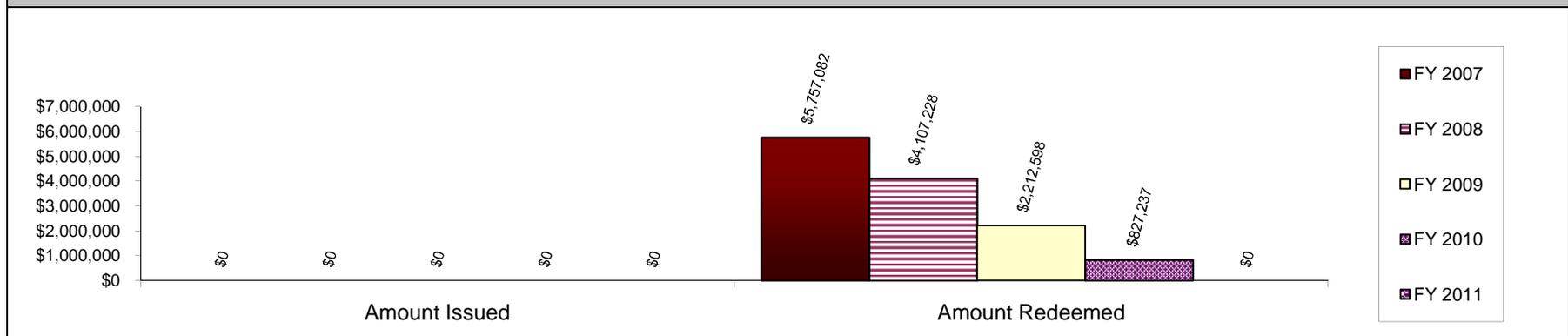
TAX CREDIT ANALYSIS

Program Name: Missouri Property and Casualty Insurance Guaranty Association Credit	Department: Insurance, Fin. Institutions & Professional Reg.	Date: 12/22/2009
Program Category: Domestic and Social	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: Section 375.774 RSMo.	Applicable Taxes: Missouri Insurance Premium Tax	
Program Description and Eligibility Requirements: The Missouri Property and Casualty Insurance Guaranty Association is created in state statute and all insurers issuing property and casualty insurance in the state are members. The association pays Missouri policyholders for claims against insolvent P&C companies. The association then assesses all members in the state to pay claims of the insolvent insurer. Members are allowed to take these assessments as an offset against premium tax collected by the state.		
Explanation of How Award is Computed: Entitlement <input checked="" type="checkbox"/> Discretionary _____ Credits are taken over a three-year period with 33 1/3% being taken each year beginning the year after the assessment. No carry forward. Credits are taken against General Revenue, County Foreign and County Stock Funds.		
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/>		
Explanation of cap: n/a		
Explanation of Expiration of Authority: n/a		
Specific Provisions: (if applicable) Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____		
Comments on Specific Provisions: No carry forward.		

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	n/a	n/a	n/a	n/a	n/a
Projects (#)	n/a	n/a	n/a	n/a	n/a
Amount Authorized	n/a	n/a	n/a	n/a	n/a
Amount Issued ¹	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	\$5,757,082	\$4,107,228	\$2,212,598	\$827,237	\$0
EST. Amount Outstanding	N/A	N/A	\$827,237	N/A	N/A

¹There was no assessment for CY2007, CY2008 and none planned for CY2009.

HISTORICAL AND PROJECTED INFORMATION



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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)	Derivation of Benefits:
BENEFITS			
Direct Fiscal Benefits			
Indirect Fiscal Benefits			
Total			
COSTS			
Direct Fiscal Costs			
Indirect Fiscal Costs			
Total			
BENEFIT: COST			

N/A

Other Benefits:
 The business of insurance is primarily regulated by the states. Consequently, no federal mechanism exists to guaranty the payment of claims under insurance policies in the event an insurance company becomes insolvent. Instead, the states have taken on this role. Every state in the U.S. has enacted laws creating a property and casualty insurance guarantee association. In the event that a licensed insurance company becomes insolvent and cannot pay its claims, the various state guarantee associations step in and provide coverage for policy or claim up to prescribed limits. In Missouri, property and casualty policies are guaranteed up to \$300,000 for most types of coverage.

To get the money to pay claims for an insolvent company, the various guaranty associations are authorized by law to levy assessments against all of the other property and casualty insurance companies in the state. The insurance companies in Missouri are then allowed a tax credit against their premium tax liability for the amount of the assessment.

PERFORMANCE MEASURE(S)

N/A

Comments on Performance Measure: