

**House Ways and Means Committee**

**HB 1515: Sales and Use Tax – Rate Reduction and Services**

**UNFAVORABLE | March 11, 2024**

Chair Atterbeary and Members of the Committee:

On behalf of the National Association of Mutual Insurance Companies<sup>1</sup> (NAMIC) thank you for the opportunity to provide this statement to respectfully oppose House Bill 1515 and urge the committee to give the bill an unfavorable report.

NAMIC consists of nearly 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

While House Bill 1515 would lower the state sales tax rate, it would simultaneously expand the sales tax to a variety of services including insurance. NAMIC opposes efforts that raise taxes on property/casualty insurance companies. Insurance is already subject to direct premium taxes and adding a sales tax to that will impose a double taxation that would likely increase the overall price of insurance. In addition, to premium taxes, insurance companies are obligated to pay certain statutory fees for services performed by state insurance departments and are subject to assessments for various residual market mechanisms.

The sale of insurance is not the sale for the current consumption of goods or services, rather it creates a contractual agreement to pay future dollars based upon the occurrence of future events. Therefore, NAMIC believes it is inappropriate to impose a sales tax on the sale of insurance.

For these reasons, NAMIC opposes House Bill 1515 and respectfully requests an unfavorable report.

Sincerely,



Matt Overturf, NAMIC Regional Vice President  
Ohio Valley/Mid-Atlantic Region

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<sup>1</sup> NAMIC member companies write \$357 billion in annual premiums and represent 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets. Through its advocacy programs NAMIC promotes public policy solutions that benefit member companies and the policyholders they serve and fosters greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.