Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2025 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **25-5462/1**	Introduction Number **AB-0699**

Description
a long-term care insurance assessment and a long-term care insurance assessment tax credit

Fiscal Effect

State:

☐ No State Fiscal Effect
☒ Indeterminate
- ☐ Increase Existing Appropriations
- ☐ Decrease Existing Appropriations
- ☐ Create New Appropriations
- ☐ Increase Existing Revenues
- ☐ Decrease Existing Revenues
- ☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
- ☐ Decrease Costs

Local:

☐ No Local Government Costs
☐ Indeterminate
1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory
5. Types of Local Government Units Affected
   ☐ Towns ☐ Village ☐ Cities
   ☐ Counties ☐ Others
   ☐ School Districts ☐ WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

OCI 12/3/2025

LRB Number **25-5462/1**	Introduction Number **AB-0699**	Estimate Type **Original**
Description a long-term care insurance assessment and a long-term care insurance assessment tax credit		

Assumptions Used in Arriving at Fiscal Estimate

The insurance security fund is administered by a board of directors that consists of the attorney general, the state treasurer, and the commissioner of insurance along with at least nine but not more than 11 insurer representatives of domestic, foreign, and alien insurers subject to state law. The board of directors has certain powers and duties specified under current law, including standing in the position of the insurer, if the insurer is in liquidation, in the investigation, compromise, settlement, denial, and payment of eligible claims and the defense of third-party claims against insureds, subject to certain limitations.

The bill adds a segregated account to the insurance security fund for long-term care insurance. The bill directs the board to calculate the assessments required for the long-term care insurance account by first calculating the percentage of life insurance, annuity contract, and disability insurance premiums written by each life insurer and by each disability insurer to which the insurance security fund applies based on each insurer's total of all such premiums written in this state for the year preceding the year in which the assessment is authorized. From this calculation, the bill provides that if the percentage of life insurance and annuity contract premiums exceeds 50 percent of the total premiums, then the insurer is classified as a life insurer, and if the percentage of disability insurance premiums exceeds 50 percent of the total premiums, then the insurer is classified as a disability insurer. The bill then directs the board to allocate 50 percent of the total assessment authorized for the long-term care insurance account to life insurers and 50 percent to disability insurers, and each insurer in those classes must pay an assessment based on the percentage of the total premiums written in this state by the insurer relative to all premiums written in this state in that class.

The bill also creates a tax credit against state income and franchise taxes and insurer license fees for long-term care insurance assessments paid by insurers. The credit is equal to 20 percent of the amount of the long-term care insurance assessment paid by the insurer and may be claimed for the tax year following the tax year during which the claimant paid the long-term care insurance assessment and for the following four years. The credit is refundable for disability insurers, but for all other claimants, the credit is nonrefundable. The bill makes no appropriation for making refundable credit payments.

At this time, OCI cannot determine whether this legislation will have a fiscal effect on agency resources or staff time.

Long-Range Fiscal Implications