

Exemptions to Insurance Premium License Fee or Tax Liability

No license fee or tax shall apply to premiums received on the following policies:

- Group health insurance provided for state employees;
- Individual health insurance, including policies issued through Kentucky Access;
- Workers' compensation insurance;
- Annuities;
- Federal flood insurance;
- Municipal bonds, leases or other debt instruments issued by or on behalf of the local government; or
- High deductible health plans as defined in 26 U.S.C. sec. 223(c)(2), commonly referred to as Health Savings Accounts (HSA).

No license fee or tax shall apply to policies issued by:

- Entities issued a certificate of authority to do business in Kentucky only as a health maintenance organization pursuant to KRS 304.38-060 (HMO/PPO);
- Entities issued a certificate of authority to do business in Kentucky as a captive insurer pursuant to KRS 304.49-010; or
- Domestic life insurance companies electing to be taxed under the provisions of KRS 136.320 – Capital and Surplus Tax.

Source: Kentucky Department of Insurance