



Overview

The Louisville Metro Insurance Premium Tax is intended to increase funds sought for the express purpose of addressing Metro's pension obligations, health insurance costs or unforeseen emergencies.

Consequences

- The tax is incredibly difficult for insurers to administer.
- A number of cities and counties will be raising their premium taxes as a result of this vote.
- The municipal premium tax makes Kentucky a less attractive place to do business.
- Consumers could make a decision to not purchase insurance or buy lower limits due to the cost.
- Consumers may not be able to distinguish the tax from the premium increase.
- The agents will be the messenger and could be perceived in a negative way in their effort to collect.
- Businesses will be forced to pass on costs to their customers.

Who/What will be impacted?

- Homeowners
- Business Owners
- Businesses
- Residents
- Economic development
- Expansion of small businesses

DON'T RAID THE RESPONSIBLE!



At the proposed rate increase, you will collect **\$339.3 million** - **\$173.8 million OVER** the pension obligation.

Solutions

- Add a sunset clause when funds are reached
- Let the voters decide
- Raise only the amount needed through other sources
- Lower the tax increase
- City/County employees should share health insurance costs
- Better budget management to fund unforeseen emergencies

For further questions, please contact:

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The Independent Insurance Agents of Kentucky (IIAK) is the largest insurance trade association in the state, with more than 300 insurance agencies, employing more than 3,000 people as its members. Independent agents offer customers a choice of policies from a variety of insurance companies. This diversity enables flexibility, customization, competitive pricing and advocacy for the end consumer. These agents offer all lines of personal and business insurance including – property, casualty, life and health, as well as employee benefit plans and retirement products. IIAK members are Trusted Choice® agents committed to providing a high level of responsive, ethical, courteous and personalized customer service. The organization was founded in 1896.

For more information, visit www.iiak.org. Trusted Choice® agents can be found at www.TrustedChoice.com.

Mayor Fischer and Metro Council members: I am Tara Purvis. As President and CEO of the Independent Insurance Agents of Kentucky we represent 100's of independent agents who do business with thousands of residents of Louisville Metro and Jefferson County.

The proposed ordinance increasing insurance premium tax is not a responsible method to increase revenue. You each have received my letter outlining the major concerns of this ordinance.

Why single out insurance? Insurance is held by the responsible and is simply an unfair attack making insurance more expensive or worse unaffordable.

Your spring forward clause in Section 1 (5% to 12.5% through FY 21; 13.5% through FY 22; and 15% thereafter) is unjust. This is a knee-jerk reaction and frankly a money grab that will result in collecting more than your current shortage. If you have the votes to pass this ordinance, we recommend a sunset clause when you reach the amount required to pay the pension deficit and not blindly increase the burden on policyholders in future years.

You state the purpose of this ordinance is to address the pension obligations, employee health insurance costs and unforeseen emergencies. The only responsible way to address these issues is to raise only the amount needed with other sources of revenue to fund the pension obligations; employees should share in increased health insurance costs and better budget management can fund unforeseen emergencies. You have a myriad of ways to cut costs in your budget. Looking in the pockets of your constituents is bad policy. This is a funding problem and you are looking in the wrong place!

Of the three revenue increase options proposed by Metro Council on February 25, the only responsible option is to let the voters decide. A simple ordinance (with less than 60 days' notice) increasing taxes to this magnitude is the easy way out and does not make the hard-working taxpayers a priority.

I receive comments from insurance companies regularly talking about how hard it is to do business in Kentucky with our 432 taxing districts and 83 of those in Jefferson County alone!

With citizens and business owners not able to afford insurance, companies finding it hard to do business in our state, we are one weather-related catastrophe away from a market crisis!

The residents of Louisville are in for a rude awakening when their policies are renewed. They will be hit from every direction, from their own policies to the goods and services they buy from local businesses.

I have provided a one-page summary of how this hurts the responsible working people of this city. I hope you will vote to defeat this proposal and find other means to decrease the burdens of Louisville Metro Government.

DO NOT RAID THE RESPONSIBLE!

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Tara T. Purvis". The signature is fluid and cursive, with the first name "Tara" and last name "Purvis" clearly distinguishable.

Tara T. Purvis