



The above chart represents the distribution of Montana's insurance taxes and fees. Insurance tax and fee revenue comes primarily from a 2.75% tax on insurance premiums, in addition to various fees.

Insurance Taxes and Fees

Revenue from the insurance premium tax portion is split primarily between general fund (2/3) and the Healthy Montana Kids (HMK) state special revenue fund (1/3). Additional insurance revenue streams (from captive insurance and the Genetics Program fees, among others) make up less than 10% of this revenue source and are allocated primarily into various state special funds.

Healthy Montana Kids

The HMK fund was established as part of a citizen initiative to insure low-income children in FY 2009 and was originally allocated 1/3 of the insurance premium tax. Initial uptake in the program was slower than fund growth for FY 2010-2013 and the insurance tax share of HMK funding was reduced to 16.7%. It was returned to the original 33.3% in FY 2014.

Increase in Revenue

Revenue increase in this time period is partially due to the buyout of Blue Cross Blue Shield of Montana by Health Care Services Corporation, which made a large number of previously tax-exempt premiums newly taxable. It can also be attributed to increased health insurance participation related to the Affordable Care Act.

For further information please visit the [2017 Budget Analysis on insurance tax license fees](#).