

February 5, 2026

The Honorable William Sutton, Chairperson
House Committee on Insurance
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Sutton:

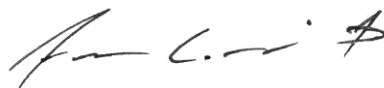
SUBJECT: Fiscal Note for HB 2540 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2540 is respectfully submitted to your committee.

Current law exempts various types of insurance products and annuities from the standard nonforfeiture law, including reinsurance, group annuities purchased under employer retirement plans, variable annuities, immediate annuities, and contracts delivered outside Kansas. HB 2540 would add contingent deferred annuities to the list of exempted products. The Insurance Commissioner would have the authority to set, through adoption of rules and regulations, nonforfeiture benefits for contingent deferred annuities that are, in the opinion of the Commissioner, equitable to the policyholder, appropriate given the risks insured, and consistent with the standards of the Standard Nonforfeiture Law for Individual Deferred Annuities Act.

The Department of Insurance states that the bill would require the Commissioner to determine if it is necessary to create regulations to set nonforfeiture benefits consistent with standard nonforfeiture laws for contingent deferred annuities. The Department would conduct research and analysis and if necessary, create, and enforce those regulations. However, the agency states that these actions would not have a fiscal effect and would be managed through existing staff and resources.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Department of Insurance