

April 10, 2014

The Honorable Rob Olson, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 322 by Senate Committee on Financial Institutions and Insurance

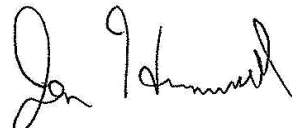
In accordance with KSA 75-3715a, the following fiscal note concerning SB 322 is respectfully submitted to your committee.

Under current law, the Kansas Insurance Department may assess fees to insurance companies of up to 15.0 percent of the Department's approved budget for the prior fiscal year to finance the operating costs of the agency. SB 322 would increase the maximum assessment to 125.0 percent. The bill also removes limits on assessment amounts by size of insurer.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	\$8,800,000
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

According to the Kansas Insurance Department, the projected revenues from insurance company assessments will be approximately \$1.2 million in FY 2015. With the enactment of SB 322, the Department estimates that up to an additional \$8.8 million in revenues to the Insurance Department Regulation Fund could be realized in FY 2015 from the higher allowable assessment rate. Any fiscal effect associated with SB 322 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Zac Anshutz, Insurance Department