

January 18, 2017

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 19 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 19 is respectfully submitted to your committee.

SB 19 would amend current law regarding the regulation of reinsurance. The bill would allow the Insurance Department to have a list of qualified reinsurers on the agency's website. The bill would allow the Department to review a qualified reinsurer from another state and "passport" the reinsurer's certifications to the State of Kansas to do business. The same would be true with reinsurers that are domiciled in Kansas to allow "passporting" to other states.

SB 19 would allow the Kansas Insurance Department to assess a fee for application for qualified reinsurers that would be used to cover the expenses necessary for review by the Department's Division of Financial Surveillance. However, the Department cannot estimate how much revenue would be generated from the fee, or the additional costs borne by the Division of Financial Surveillance. Any fiscal effect associated with SB 19 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Glenda Haverkamp, Insurance