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Shawn Sullivan, Director of the Budget

Sam Brownback, Governor

February 1, 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 91 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 91 is respectfully submitted to your committee.

SB 91 would change current law regarding owner controlled insurance programs (OCIP). An OCIP is an insurance policy held by a property owner during the construction or renovation of a property and is designed to cover nearly any liability or loss from a construction project. Under current law, the maximum deductible that could be charged to enrolled participants who are not the sponsoring participants is \$2,500 per occurrence or per claim. SB 91 would increase the maximum deductible to \$25,000.

According to the Kansas Insurance Department, enactment of SB 91 would have no fiscal effect for the state. However, the Division of the Budget notes that increasing the maximum deductible could reduce insurance premiums for OCIPs which could affect State General Fund revenues.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", written over a horizontal line.

Shawn Sullivan,
Director of the Budget

cc: Glenda Haverkamp, Insurance