

February 3, 2020

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

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 292 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 292 is respectfully submitted to your committee.

Under current law, the Insurance Commissioner must collect a penalty double the amount of tax for total gross premiums, less any return premiums, on surplus lines insurance from individuals who fail to transmit the required affidavit or fail to pay the tax imposed. SB 292 would give the Commissioner the flexibility to charge a penalty up to double the amount of tax.

The Kansas Insurance Department states that the enactment of the bill could decrease the funds collected because the bill allows the Insurance Commissioner to assess up to double the penalty instead of automatically assessing double. However, the amount of penalty reduction cannot be estimated. Any fiscal effect associated with SB 292 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Bobbi Mariani, Insurance