

March 18, 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 489 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 489 is respectfully submitted to your committee.

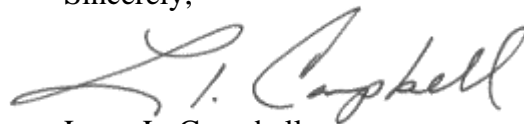
Under current law, governmental entities and self-insurers must have uninsured motorist insurance coverage. SB 489 would give a governmental entity or self-insurer the right to reject, in writing, uninsured motorist coverage. The bill would also make other technical adjustments.

The Department of Administration states that if the bill were enacted the state could choose not to carry uninsured motorist coverage which would save money. However, if an accident occurs with an uninsured motorist, then the state would have increased costs to cover the damage. Therefore, a fiscal effect cannot be determined because the level of coverage the state would select is unknown.

The Kansas Association of Counties and the League of Kansas Municipalities both state that the fiscal effect is unknown because each county or city may or may not choose to reject uninsured motorist coverage. There could be savings from not having uninsured motorist coverage; however, there would be increased costs if an accident would occur with an uninsured motorist. However, it is not possible to estimate the fiscal effect of the bill.

The Kansas Insurance Department states that the bill would not have a fiscal effect on its operating expenditures. Any fiscal effect associated with SB 489 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Bobbi Mariani, Insurance
Jay Hall, Association of Counties
Trey Cocking, League of Municipalities
Jeff Scannell, Department of Administration