

February 26, 2024

The Honorable William Sutton, Chairperson  
House Committee on Insurance  
300 SW 10th Avenue, Room 218-N  
Topeka, Kansas 66612

Dear Representative Sutton:

**SUBJECT:** Fiscal Note for HB 2707 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2707 is respectfully submitted to your committee.

HB 2707 would create the UIM Transparency in Insurance Act. The bill would require uninsured motorist coverage to include an underinsured motorist provision that has coverage limits equal to the limits of liability provided by the uninsured motorist coverage. This provision would enable recovery from the insurer the amount of damages for bodily injury or death to which an insured is legally entitled from the owner or operator of another motor vehicle to the extent the damages exceed the proceeds reasonably available to the insured from the bodily injury coverage carried by the owner or operator of the other motor vehicle. Automobile policies sold or renewed, on or after January 1, 2025, would have to meet this requirement. The statute would also prohibit any reduction in the amount of underinsured motorist coverage because of any liability limit or payment by or on behalf of the owner or operator of the other motor vehicle or any third party.

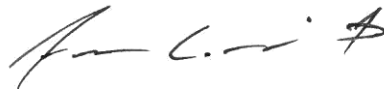
The Office of Judicial Administration states that the bill could increase the number of cases filed in district courts because the bill could result in more civil case filings. This would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The Office also states that the bill could increase the collection of docket fees that would be deposited into the State General Fund. However, a precise fiscal effect cannot be determined.

The Department of Insurance states that the bill could increase coverage limits which would increase insurance premiums. The agency estimates that the increase in additional premium

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taxes would be negligible. Any fiscal effect associated with HB 2707 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Bobbi Mariani, Insurance Department  
Trisha Morrow, Judiciary