

January 27, 2017

The Honorable Jene Vickrey, Chairperson  
House Committee on Insurance  
Statehouse, Room 276-W  
Topeka, Kansas 66612

Dear Representative Vickrey:

**SUBJECT:** Fiscal Note for HB 2104 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2104 is respectfully submitted to your committee.

HB 2104 would prohibit an insurer from reducing the amount of underinsured motorist coverage available for a claim by any payment amount paid by anyone other than the insurer. Also, the bill would increase the minimum bodily injury limit on motorist insurance policies from \$50,000 to \$100,000. The bill would become effective on and after January 1, 2018.

According to the Kansas Insurance Department, enactment of HB 2104 would likely result in Kansas consumers paying higher premiums for motorist insurance coverage. However, the agency states that any premium increase would be negligible. In addition, the bill could: (1) increase insurance premium taxes collected from insurance companies as a result of higher premiums; (2) reduce insurance premium taxes collected from insurance companies as a result of some consumers choosing not to pay higher premiums and becoming uninsured; or (3) result in a combination of the previous two scenarios. The Department indicates that it cannot estimate the fiscal effect on insurance premium taxes as a result of enactment of the bill. Any fiscal effect associated with HB 2104 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Glenda Haverkamp, Insurance