

Division of the Budget  
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Laura Kelly, Governor

February 21, 2019

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

Dear Representative Vickrey:

SUBJECT: Fiscal Note for HB 2210 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2210 is respectfully submitted to your committee.

HB 2210 would increase the underinsured motorist (UIM) coverage available to policyholders covered under a motor vehicle liability insurance policy to an amount equal to the uninsured (UM) motorist coverage limits. The bill would also prohibit UIM coverage from being reduced because of any liability limit or payment by an owner or operator of another motor vehicle or any third party.

According to the Insurance Department, enactment of HB 2210 would have no fiscal effect on agency expenditures. However, the agency indicates that the bill could result in a minimal increase in the premium tax from insurance companies if the UIM limit does not currently match the UM limit. The agency retains 1.0 percent of all premium taxes collected and the remainder is deposited into the State General Fund. The agency states that if premium taxes increase as a result of enactment of the bill, then State General Fund revenues would also increase. However, the fiscal effect cannot be estimated because the additional premium taxes that would be collected are unknown. The agency also notes that the bill would require companies that are currently authorized to sell UIM coverage to submit new policy forms to the Insurance Department for approval. Any fiscal effect associated with HB 2210 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "Larry L. Campbell".

Larry L. Campbell  
Director of the Budget

cc: Glenda Haverkamp, Insurance