

February 6, 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 323 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 323 is respectfully submitted to your committee.

Under SB 323, for personal automobile liability insurance and property and casualty insurance for group affiliated insurers, it would not be considered a denial of renewal if the insurer makes changes to the policy and the insurer, no later than 30 days prior to the renewal date, and either delivers the new policy to the insured or makes the new policy available electronically. For property and casualty insurance for a business, it would not be considered a denial of renewal if the insurer makes changes to the policy and the insurer, no later than 60 days prior to the renewal date, and either delivers the new policy to the insured or makes the new policy available electronically.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$56,000
FTE Pos.	--	--	--	1.00

The Kansas Insurance Department states that it would expend \$56,000 from its Insurance Department Service Regulation Fund and would require 1.00 Policy Examiner FTE position in FY 2021 to fulfill the requirements of the bill. Of that amount, \$51,600 would be for salary and wage expenditures and \$4,400 would be for one-time costs for a computer and other office supplies the new position would require. SB 323 would increase the number of system rate and form filings that would be reviewed by the Property and Casualty Division. Any fiscal effect associated with SB 323 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "L. L. Campbell". The signature is written in black ink and is positioned above the printed name and title.

Larry L. Campbell
Director of the Budget

cc: Bobbi Mariani, Insurance