

March 13, 2012

The Honorable Clark Shultz, Chairperson
House Committee on Insurance
Statehouse, Room 166-W
Topeka, Kansas 66612

Dear Representative Shultz:

SUBJECT: Fiscal Note for HB 2728 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2728 is respectfully submitted to your committee.

HB 2728 would lower the statutory percentage of eligible employees necessary to issue a group life insurance policy from 75.0 percent to 50.0 percent. In addition, the bill would lower the number of employees covered by a group life insurance policy from at least three employees to two employees. For policies issued to a labor union, which would be considered the policyholder to insure union members, the bill would require 50.0 percent of the eligible union members electing to make the required premium, with a minimum total of at least 15 members covered. For policies issued to trustees, as defined by the bill, a requirement would be made to insure at least 50 people, and not less than an average of five individuals per employer.

According to the Kansas Insurance Department, enactment of HB 2728 would have no fiscal effect on the agency. Changes made by HB 2728 regarding eligible employees required for group life insurance policies may affect premiums charged. However, any effect on premiums would be paid by the individuals purchasing the group policies.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Zac Anshutz, Insurance