

February 16, 2021

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions
Statehouse, Room 235A-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 114 by Senate Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 114 is respectfully submitted to your committee.

Under current law, governmental entities and self-insurers must have uninsured motorist insurance coverage and personal injury coverage. SB 114 would give a governmental entity or a self-insurer the right to reject, in writing, uninsured motorist coverage and personal injury coverage. The bill would also make other technical adjustments.

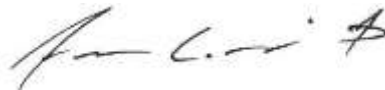
The Department of Administration states that if the bill were enacted the state could choose not to carry uninsured motorist coverage which would save money. However, if an accident occurs with an uninsured motorist, then the state would have increased costs to cover the damage. Therefore, a fiscal effect cannot be determined because the level of coverage the state would select is unknown.

The Kansas Insurance Department states that the bill would not have a fiscal effect on its operating expenditures. Any fiscal effect associated with SB 114 is not reflected in *The FY 2022 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities both state that the fiscal effect is unknown because each county or city may or may not choose to reject uninsured motorist and personal injury coverages. There could be savings from not having those coverages; however, where insurance is waived, and no other insurance is in place there would be

increased costs if an accident would occur. However, it is not possible to estimate the fiscal effect of the bill.

Sincerely,

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

Adam Proffitt
Director of the Budget

cc: Wendi Stark, League of Municipalities
Jay Hall, Association of Counties
Debbie Thomas, Judiciary
Bobbi Mariani, Insurance
Lynn Robinson, Department of Revenue
Jeff Scannell, Department of Administration