

January 31, 2025

The Honorable William Sutton, Chairperson
House Committee on Insurance
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Sutton:

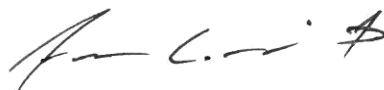
SUBJECT: Fiscal Note for HB 2087 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2087 is respectfully submitted to your committee.

Under current law, a vehicle dealer is required to have an approved insurance policy by an insurance carrier authorized to do business in Kansas. HB 2087 would allow a vehicle dealer to have an insurance policy from either an approved insurer or an eligible nonadmitted insurer authorized to write excess coverage on Kansas risks. The bill would require the Insurance Commissioner to maintain a list of eligible nonadmitted insurers authorized to write excess coverage on Kansas risks. To remain eligible on this list, the bill would increase the amount of an insurer's capital or surplus requirements from an amount equal or greater than \$4.5 million to an amount equal or greater than \$15.0 million. The bill would also eliminate the \$200 filing fee for annual statements submitted to the Commissioner by nonadmitted insurers. The bill changes all references of 'insurers not authorized to do business in Kansas' to 'eligible nonadmitted insurer.' The bill also includes clarifying language.

The Kansas Department of Insurance states because the bill would eliminate the \$200 filing fee filing, its revenues into the Insurance Department Service Regulation Fund would decrease annually by \$45,000 starting in FY 2026. Any fiscal effect associated with HB 2087 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Insurance Department