

February 24, 2025

The Honorable Brenda Dietrich, Chairperson
Senate Committee on Financial Institutions and Insurance
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Dietrich:

SUBJECT: Fiscal Note for SB 147 by Senate Committee on Financial Institutions and Insurance

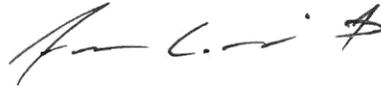
In accordance with KSA 75-3715a, the following fiscal note concerning SB 147 is respectfully submitted to your committee.

SB 147 would require uninsured motorist coverage to include an underinsured motorist provision that has coverage limits equal to the limits of liability provided by the uninsured motorist coverage. This provision would enable recovery from the insurer the amount of damages for bodily injury or death to which an insured is legally entitled from the owner or operator of another motor vehicle to the extent the damages exceed the proceeds reasonably available to the insured from the bodily injury coverage carried by the owner or operator of the other motor vehicle. Automobile policies sold or renewed, on or after January 1, 2026, would have to meet this requirement. The statute would also prohibit any reduction in the amount of underinsured motorist coverage because of any liability limit or payment by or on behalf of the owner or operator of the other motor vehicle or any third party.

The Office of Judicial Administration states that the bill could increase the number of cases filed in district courts because the bill could result in more civil case filings. This would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The Office also states that the bill could increase the collection of docket fees that would be deposited into the State General Fund. However, a precise fiscal effect cannot be determined.

The Department of Insurance states that the bill could increase coverage limits which would increase insurance premiums. The agency estimates that the increase in additional premium taxes would be negligible. Any fiscal effect associated with SB 147 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt". The signature is fluid and cursive, with a large initial "A" and a stylized "P" at the end.

Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Insurance Department